

The NATIONAL UNDERWRITER

Life Insurance Edition



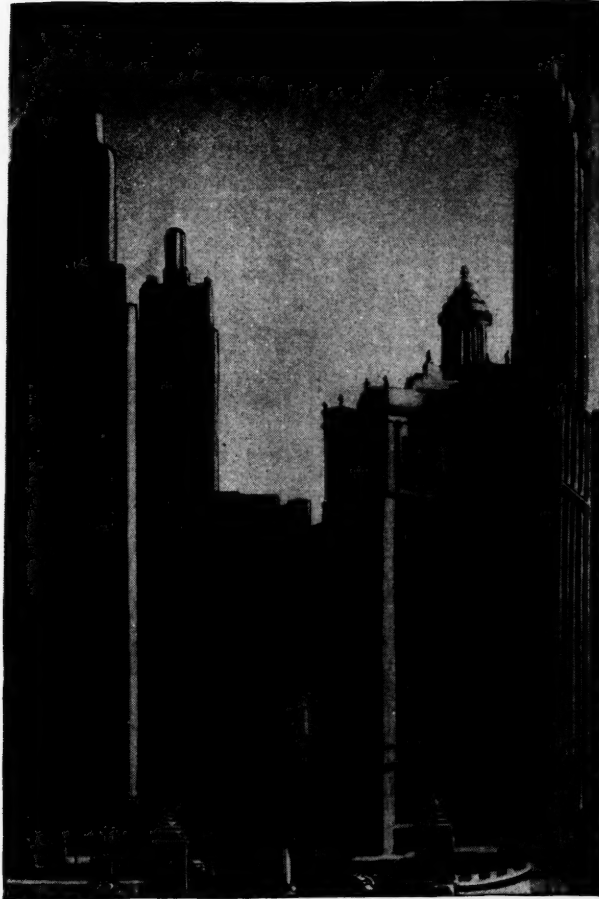
the mark of leadership



LEADERSHIP IS THE KEY-NOTE of the President's Club. The Company's leaders from thirty-nine states and the District of Columbia are invited to these meetings as guests of President Bixby; return home with a renewed sense of accomplishment, new prestige with associates and clientele, new ideas acquired from other successful career life underwriters.



THE ROSTER IS LONGER, for the third consecutive time, than the one preceding. There are 177 leaders in the 1948 Club — 62 were among the 76 Charter Members, 55 have qualified each year. Congratulations, President's Club members, for past achievements; best wishes for continued success and qualification for the two 1949 meetings — President's Club in Detroit, President Bixby's Silver Anniversary celebration in Quebec.



ALL ROADS LEAD TO CHICAGO's Drake Hotel for the fourth annual meeting of the **PRESIDENT'S CLUB**, May third and fourth.

KANSAS CITY LIFE INSURANCE CO.

Kansas City, Missouri

the president's club

FRIDAY, APRIL 30, 1948

STILL GROWING . . .

More than 6,000 people now wear the Shield emblematic of their association with this Company, every one of them full-time.

Of this number, 1,000 are in the Home Office and 5,000 work in our 170 District Offices in the field.

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The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



Cooperating

... With Opportunities

Great Southerners are meeting the opportunities for a successful career in life insurance with the backing of a complete program of home office cooperation.

Provided with the full range of policy contracts for individuals and groups . . . direct-to-the-prospect and widespread sales assistance... prompt, personalized home office follow through, Great Southerners enjoy a position of high prestige among their clients, both prospective purchasers and policy owners.

In a field where strength, security, and progressiveness are indispensable requisites for leadership, the Great Southern is acknowledged for its aggressive cooperation with representatives to build successful careers as life underwriters.



Way Now Clear for Actuarial Merger, Says A.I.A. Head

Also Tells Chicago Gathering
of Danger in Curbing
Actuary's Influence

The original plans for merger of the Actuarial Society of America and the



J. G. Beatty

before the American Institute of Actuaries in Chicago this week.

Mr. Beatty said that at the present meeting the membership of the institute would be asked, if it approves the plans to date, to authorize the appointment of another committee to draft the constitution and by-laws of the new organization along the lines suggested by the joint committee headed by R. A. Hohaus, Metropolitan Life. He said it is hoped to have the constitution and by-laws ready by the fall meeting and if they are then approved, steps will be taken to incorporate the new body. Following this, the society and the institute will transfer their assets to the new organization and dissolve themselves.

Lauds Joint Committee

Expressing thanks to the joint committee for its work, Mr. Beatty said that in the early stages it appeared almost an impossible task to coordinate the various view points of members of the two organizations, but that the committee not only maintained an open-minded attitude throughout but showed great ingenuity in the solution of problem after problem that arose. He predicted that when complete the merger, through coordination of effort, "should add to our strength."

Touching on the possibility of another depression or even another war, Mr. Beatty said that whatever happens it will be a testing time for the life insurance business. He mentioned that agency forces have been fully reestablished since the war and this increases competition at a time when business may be becoming a little more difficult to obtain. He said some people have expressed doubts that whether the business is keeping in mind the lessons learned in the interval between the two wars. For example, he said that while the Guertin committee fought hard to get the necessary legal freedom of action for a greater differential between reserves and cash values and were largely successful, nevertheless, "when we actually got around to the business of computing new surrender values, this lesson taught us in the '30s was not reflected in our new tables to nearly the extent that many of us thought it should have been."

Mr. Beatty cited also the use of long-

Earning Rate on Life Insurance Funds at 2.88%

The net rate of interest earned by the life companies on their invested funds last year dropped to a new low of 2.88%, the Institute of Life Insurance reports.

The 1947 rate compares with 2.92% in 1946 and 3.08% in 1945; it is one-fifth less than the rate in pre-war 1940 and nearly one-half less than that earned in 1925. If the 1940 rate had still applied in 1947, the business as a whole would have had some \$350 million more available from investment earnings last year.

term dividend projections, saying that when one compares the figures quoted to prospective insurers in 1928 with the actual results over the last 20 years, it is not difficult to understand why there have been so many complaints about dividends from policyholders. Despite reductions that are still being made and may continue, he said that some are still quoting right in the rate books figures based on the continuance of present dividend formulas over a period of 50 years. He said that experience has amply proved that the most carefully worded qualifying clauses will not still the wrath of disgruntled policyholders if actual experience does not live up to these projections. He said this situation not only produces bad public relations but it often leads the agent to base his sale on dividends instead of the fundamental need for life insurance. Also, by making reductions more embarrassing, it fosters the continuance of dividend scales which have become too liberal and thus tends to destroy the safeguarding feature of participating insurance, he warned.

Discuss Group Expansion

Discussing group expansion, Mr. Beatty said that despite fears that government may move in if the companies do not furnish as much group coverage of all kinds as they safely can, there is nevertheless grave doubt that "we may be moving too far in a loose direction and it behooves us when we consider departing from practices established over the years to make sure we are on sound ground."

Touching on underwriting, Mr. Beatty said that fears have been expressed that the lessons of the inter-war period in the underwriting of large risks may have been forgotten and warned of the need of being on guard against undue liberality in all underwriting, particularly in days of rising costs.

These and other developments in recent years have also led some people, both within and outside the profession, to express concern that actuaries may not be exerting as much influence in their companies as they should or may be yielding too much to competition, said Mr. Beatty. He said that it is inevitable that with the growth of the business the influence of any and all particular departments should be submerged in the whole organization but there is nevertheless a point beyond which this should not go in respect to the actuary, because he is the man primarily responsible for the safety of the company

(CONTINUED ON PAGE 16)

W. & S. Upheld

The Ohio supreme court has upheld the validity of the reorganization plan under which Western & Southern Life would become a mutual company. The court refused to review a decision of the lower court upholding the company.

Cites Two Major Insurance Snags in New Tax Law

NEW YORK—Two major difficulties for life insurance in the new federal tax law were discussed by Mark H. Johnson, New York City tax lawyer, in addressing the Solomon Huber agency of Mutual Benefit Life.

One of these difficulties, he said, is that the statute casually assumes that a power of appointment may be obtained as a matter of course in a settlement option. While a right of commutation during the widow's life is a common provision, Mr. Johnson said that inexplicably the insurance portion of the federal statute does not contain the provision that is in the trust statute which permits the power to be exercised in favor of the widow herself. He said it is therefore doubtful whether the power of commutation alone will qualify for the deduction. On the other hand, it is not at all certain that insurance companies can or will give the widow a power of appointment exercisable after the insured's death, whether that power is exercisable in favor of her estate or of any other person. Moreover, even if some companies will permit such a power to be exercised during the widow's lifetime it is practically certain that they will not permit an exercise by will. He called the statute "patently unrealistic."

Second Major Difficulty

The second major difficulty mentioned by Mr. Johnson arises where the settlement option provides for interest to the widow, even where the widow has the requisite power of appointment. It should be noted, he said, that the insurance statute is applicable only to "proceeds of insurance . . . received in annual or more frequent installments." For income tax purposes, he pointed out, it has been accepted that mere interest income is not "proceeds of insurance." Moreover, he quoted from the Senate finance committee report the following passage: "The amounts payable to the surviving spouse must be installments which have the effect of reducing during her lifetime the aggregate proceeds of the policy available for future payments."

It is difficult, therefore, to bring the interest option under the statute, Mr. Johnson said. On the other hand, it may possibly be contended that insurance proceeds qualify as "an interest in property passing from the decedent in trust" and that the interest option accompanied by power of appointment qualifies for deduction under section 812 (e) (1) (F), the general trust exception.

Mr. Johnson said the following settlement options qualify for the deduction: (1) Life annuity to the widow, with or without right of commutation; (2) interest to widow, principal to her estate; (3) term (or continuous and certain) annuity to widow, balance of payments to her estate. The following, he said, are doubtful: (1) interest to widow, with right of commutation, principal to others; and (2) term (or continuous and certain) annuity to widow, with right of commutation, balance of payments to others.

If it can be obtained from the company, a term (or continuous and certain) annuity to the widow, with power to appoint to her estate, will qualify. On the other hand, even if it can be obtained from the company, a provision for interest to the widow, with power to appoint to her estate, may not qualify.

Supplementing Mr. Johnson's pre-

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Training Techniques Highlight Managers' Forum in New York

New Officers Elected
by Atlantic Alumni
of L.I.A.M.A. School

NEW YORK—Aids to recruiting, selection and training, such as aptitude tests, elimination of the new agent's fear of failure, and joint field work in training, were discussed at the annual seminar and luncheon of the Atlantic alumni of the L.I.A.M.A. management schools here.

James P. Graham, Jr., Aetna Life, Baltimore, was elected president, succeeding John H. Evans, Home Life of New York, New York City. George P. Shoemaker, Provident Mutual, New York City, and Arthur V. Youngman, Mutual Benefit Life, New York City, were elected vice-president and secretary respectively.

S. Rains Wallace, L.I.A.M.A. director of research, said aptitude tests cannot predict what success any one individual will have but can keep the general agent from making a "sucker bet." He warned that sales production alone is not too good a criterion for a new agent's success, a better yardstick being whether the man has surpassed the average production for an agent with the company for the same length of time starting off on equal basis. He said that a survey of 1,500 men employed by Canadian companies through 1947 showed that of those who made A in the aptitude test, 40 out of 100 were successful, 25 out of 100 "B" men were successful, 18 out of 100 "C" men were successful while only 12% of those making D and E were successful.

He pointed out, however, that if the manager didn't like a recruit he shouldn't hire him no matter what score he made. He said a new aptitude test is being prepared and would be released before the end of the year.

H. R. Smith Speaks

H. R. Smith, assistant superintendent of agencies, Connecticut Mutual, former head of the Purdue course, stressed the need for eliminating the new agent's fear of failure. The new agent's objective should be to sell 100 lives a year. He reviewed the study that resulted in the Purdue formula of 20 calls, 10 sales interviews, and two applications each week. He said that once men begin to believe that they have a guaranteed chance of success they lose their fear of failure and get the excitement of certainty.

Mr. Smith said that selling life insurance can get to be emotionally exhausting and that if it becomes too great the man will leave the business, so it is up to the management to keep the number of calls and interviews from getting out of line with the sales.

E. L. G. Zalinski, managing director of the Life Underwriter Training Council, discussed the L.U.T.C. training program.

W. E. Hays, general agent New England Mutual, Boston, said he uses the L.I.A.M.A. aptitude test, inspects the agent's background and gets a list of 100 names that the agent knows. Then he analyzes the name sheet for natural

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How 1948 Tax Law Affects Typical Estate Situations

By JOHN H. OVERBECK, JR.

John H. Overbeck, Jr., partner in the Chicago law firm of Millett, Lewis & Ross and a specialist in tax law, gave a talk on the estate tax effect of the 1948 federal tax law revision before the Jamison & Phelps agency of Northwestern Mutual Life in Chicago. The following is a transcript of the first part of Mr. Overbeck's talk.

We start out with a gross estate, which may be divided into many parts. One part, for example, may be the probate estate. One part may be life insurance. One part may be joint tenancy property. And another part may be the other property that has been transferred during the lifetime of the decedent but for some reason or other is still included in the gross estate for federal estate tax purposes; for example, a transfer in contemplation of death. Another example is a transfer in trust where the settlor retains a life income. All those items are included in the gross estate for federal estate tax purposes. Only one part is probated in the state court when the man dies.

The tax is laid on what is called the net estate. That is derived by taking from the gross estate certain deductions. Now the theory of the new tax provisions of the estate tax law is to put common law states on a parity with community property states but this is not done by saying their law is the same as that of community property states. In community property states, one-half of the property automatically belongs to the wife. (I am going to use the wife as always being the one surviving.) Therefore, her half is not taxed in the husband's estate. To put common law states on a parity, a new type of deduction was created called the marital deduction.

Section 812 (b) Deductions

From the gross estate, and this will all tie in for the purpose of this discussion, there are subtracted what are called 812 (b) deductions, and for your purposes they mean expenses of administration, funeral expenses, attorney's fees, administrators' fees, and debts against the estate. From that we get what is called the adjusted gross estate. And from that adjusted gross estate we subtract the marital deduction.

The resultant figure ordinarily will be the net estate. I say ordinarily because there might be a case where there is a transfer to charity. Ordinarily when we subtract the marital deduction from the adjusted gross estate, we would get the net estate. From that net estate we would subtract \$60,000 as a specific exemption and place the tax on the remainder.

Now the big problem is, what is the marital deduction. The act says all property which passes or has passed from the decedent to his wife may be taken as a marital deduction to the extent that it is included in the gross estate. That means that any property in the gross estate, whether it is a life transfer, life insurance, joint tenancy property, or the probate estate, which passes to the wife, is property for which a marital deduction can be obtained. Then an exception is made. The law says if a terminable interest (that is an interest which might terminate) passes to the wife and, (1), at the same time, an interest in that property passes to somebody else other than the wife or her estate and that other person may by any possibility enjoy that property after the wife's death, the marital deduction cannot be had with respect to that property, or, (2), if the wife's interest is acquired for her pursuant to directions of the decedent, by the decedent's executor or trustee, and that interest is terminable, then no marital deduction can

be had for that property. Those concepts are difficult, so I am going to give you concrete examples to show you how they work.

We have said that property passing to the wife which is included in the gross estate is eligible for the marital deduction. Now we also have exceptions to that exception. There are three types of terminal interests that ordinarily would not be eligible for the marital deduction but are eligible because Congress expressly provided for them.

Common Disaster

They are, (1), transfers by will to a wife where it is contingent that she survive at least six months before she can get the property. If she doesn't survive by six months then it goes to the children. Ordinarily that would be a terminal interest and therefore no marital deduction would be allowed. Congress said in that kind of case if the wife actually survives him by six months, we will allow the marital deduction. That reason is obvious. It is to cover the common disaster clause in most wills and in very many life insurance policies.

The second exception to the exception is property left in certain types of trust.

The third exception pertains to life insurance: "In the case of proceeds of insurance upon the life of the decedent receivable in annual or more frequent installments commencing within one year after the decedent's death, if under the terms of the policy all amounts payable during the life of the surviving spouse (which is the wife) are payable

only to such spouse and if such spouse has the power to appoint all amounts payable after each spouse's death (exercisable in favor of the estate of such spouse . . .) . . . " the marital deduction is allowed. What does that mean practically? It means that in probably 99% of the options that you selected for your clients the marital deduction wouldn't be allowed because most of the options read, 10 or 20 payments certain to the wife with life guaranteed and any unpaid amount to go over to the children. You very seldom have provided that any unpaid amounts will go to whomever the wife appoints. The result is that as to those policies the marital deduction will not be allowed. . . .

Needn't Rely on Clause

For all life insurance left outright to the wife, the marital deduction is allowed. You don't need to rely on the special option clause for that. It passes outright and her interest is not terminable. So we only get into this particular clause affecting life insurance when the wife does have a terminable interest.

The marital deduction could be equal to the whole estate, but there is an overall maximum of 50% of the adjusted gross estate. In other words, the marital deduction cannot exceed 50% of this figure. If you give your wife outright everything in your gross estate, the marital deduction will still be limited to 50% of the adjusted gross estate as we have defined it.

At this point, I want to drop a word of caution. Some of you may be getting

a certain popular insurance publication. Their March 10 issue left the impression that the husband only gets the marital deduction for 50% of what passes to his wife. This is misleading. The husband gets the marital deduction for everything passing to his wife outright but the maximum ceiling is 50% of the adjusted gross estate. The difference in concepts is important. A man with a \$250,000 estate, for example, if he leaves his wife outright \$125,000 and the other \$125,000 is left in trust to go over to his children, would get the full marital deduction under the correct conception because what is left to his wife wouldn't exceed 50% of the adjusted gross estate. If you follow the other theory, the marital deduction would not only be 50% of \$125,000.

Property in Trust

I mentioned that property left in certain types of trusts is eligible for the marital deduction even though the wife's interest would ordinarily be terminable and the deduction disallowed if it wasn't saved by the special clause. Now the type of trust that is referred to is the type where all the income is payable to the wife at least annually; she has an absolute power of appointment over the corpus of the trust, either during her lifetime or by her will, or both, of course; and the income is not payable or the corpus is not payable to anyone except her—except through appointment by her or default of appointment.

Now the reason that kind of trust is excluded is that when the wife dies, as she has a power of appointment over the principal, it will be taxed in her estate and the government will get the tax one way or another.

Now you may see the proposition advanced that if property is left to the wife in such a way that it would be taxable in her estate upon her death the marital deduction will be allowed. That is not true. That is the general theory behind the act. That is what they are trying to accomplish generally. But in many cases, property could be left to the wife in such a way as to disallow the marital deduction but nevertheless that property would be included in her estate at her death. You have to meet the wording of the statute.

GENERAL ASSETS

There are two other points I want to discuss at this particular time before going into the examples. One is the unidentified assets rule. The purport of it is this: If in the husband's estate there is property in respect of which the marital deduction would not be allowed and the wife is given an interest in unidentified assets (say the husband says, "I give one-half of my residuary estate to my wife," what assets she has an interest in have not been designated—she has an interest in all the assets but not any particular one), then the government will assume that her interest is satisfied out of those assets for which a deduction would not have been allowed and the marital deduction would be decreased by that amount. I will give you an example showing how that operates.

The other thing I want to bring out is that the interest passing to the surviving spouse for the purpose of the marital deduction is decreased by the amount of federal estate and state inheritance tax that it actually bears.

Let me give you an example. Suppose the surviving spouse, the wife, is given \$100,000 free and clear of any federal

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PRESTIGE

Your prestige is a determining factor in so many sales that your personal production record probably reflects the degree of prestige you hold in your community more accurately than any other measure.

You've done a great deal to gain that prestige . . . you've served your clients and your community loyally. Now it is beginning to pay dividends. It is opening hundreds of doors for you; it is letting you devote time to selling Life Insurance which you formerly spent selling yourself; and it is making more people every day confident of your ability to serve them well.

Prestige is of prime importance—let's not neglect it! We can't afford to . . . but, because it becomes so commonplace and accepted we often do. Like an engine, prestige needs fuel to give power and do work. Your fuel?—The service you perform. Now, add more fuel to the fire and build your prestige to even greater heights.

Work for prestige . . . and it will work for you!

Insurance in force—March 31, 1948—\$356,261,284

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Issue New Edition of Proposed Annual Statement Blank

The joint committee on blanks of the Life Insurance Assn. of America and the American Life Convention, of which John S. Thompson, president of Mutual Benefit Life, is chairman, has released a third edition of the revised form of annual statement for life companies which it proposes for adoption in lieu of the form now in use.

Earlier editions were limited to the financial pages of the statement, approximately the first 10 pages of the form; the third edition includes schedules as well.

This is a project which was started in 1941 as a result of persistent and growing criticism of the convention statement form. It has progressed slowly but steadily under constant study by company representatives. There have been two previous reports designed to keep life companies and insurance departments informed. Constructive suggestions have come from both the departments and the companies.

Follows Standard Accounting Practice

The committee believes the proposed form, which follows standard accounting procedure, will meet with the approval of the accounting profession and business men accustomed to reading financial statements of business in general. The peculiarities of the life insurance statement have often been the source of confusion to those outside the insurance field. The new form has met with widespread expression of approval from life companies.

A few of the more significant features of the revision are: (1) Substitution of a statement of income on an accrued basis for the present paid income and paid disbursements. Details at least as extensive as those in the present statement are provided in supplementary schedules. In combination they provide a vertical analysis of income and expenses by kind to supplement the horizontal analysis by line of insurance in the gain and loss exhibit. (2) Assets appear in a single category—net statement value instead of ledger, non-ledger and not admitted assets as at present. Assets schedules show the relation of statement value to cost and market value. (3) Important liabilities such as reserves and claims are presented in separate schedules analyzed by line of insurance. (4) The total information given in the entire statement is more extensive than in the present statement. (5) Instructions are separated from the statement and are more precise and extensive than heretofore.

All Schedules Revised

(6) All schedules have been carefully revised, amplified in some respects, simplified in others, and standardized as far as practicable.

The committee believes the new form provides a clearer portrayal of a company's affairs and condition than the present form in a more compact and orderly arrangement and that it meets the needs of supervising officials, the companies and the public. It has been referred to, and is being studied by, a special blanks committee of insurance department representatives appointed in 1941.

Group Covers 17 Million

An increase of \$10,398,000,000 or almost 50% in the amount of family protection enjoyed by workers under group life insurance has been achieved in the two years since the end of the war, according to the Institute of Life Insurance. At the end of 1947, 17,300,000 workers were insured for \$33,169,000,000 under 48,000 master contracts or an average of more than \$1,900.

Assign N.A.I.C. Arrangement Posts

John A. Diemand, president of North America and general chairman of convention committees for the annual meeting of the National Assn. of Insurance Commissioners at Philadelphia, June 6-10, has named his associate chairmen and committee chairmen.

Commissioner Malone of Pennsylvania will be honorary chairman. Associate chairmen include Ralph H. Alexander, deputy Pennsylvania commissioner; Stanley Cowman, president of Pennsylvania Assn. of Insurance Agents; Robert Dechert, president Insurance Federation of Pennsylvania; William M. Guthrie, controller Reliance Life; Oscar A. Kottler, deputy Pennsylvania commissioner; Otho E. Lane, chairman of Fire Association; Ezra Markley, president Harleysville Mutual Casualty; H. J. Pelstring, president Pennsylvania Lumbermen's Mutual Fire; and H. P. Stellwagen, executive vice-president Indemnity of North America.

Executive secretary is Homer W. Teamer, secretary-manager of the Insurance Federation of Pennsylvania. Committee chairmen include John A. Stevenson, president Penn Mutual Life; E. A. Roberts, president Fidelity Mutual Life; Mrs. M. H. Fireng, assistant secretary Insurance Federation of Pennsylvania; Frank H. Thomas, president Fire Association; Benjamin Rush, Jr., public relations director North America; Walter K. Hardt, president Girard Life; J. Maxwell Smith, president Keystone Automobile Club Casualty; Miss Mary F. Barber, assistant vice-president Penn Mutual; M. Albert Linton, president Provident Mutual Life; William Elliott, president Philadelphia Life; John H. Grady, U. S. manager General Accident; W. Stanley Kite, president Manufacturers Casualty;

Wallace Watson Forms New Firm

Wallace N. Watson has resigned his position at Estate Planning Corp., New York, to join with Henry Flood of New York to form the management counsel firm of Flood & Watson, Inc. The new firm will have its main office at 30 Broad street in New York, other offices at Baltimore, Chicago and Detroit. Mr. Watson was formerly in Boston with Phoenix Mutual and just before going to New York about two years ago was general agent for the Connecticut Mutual in Boston. Mr. Watson will now become a licensed life agent again. The new firm plans to offer every kind of financial and management counsel, including counsel on employee relations involving insurance and pension plans.

N. O. Tax Law Session

Ten lawyers discussed the new federal tax law at the April meeting of the New Orleans C.L.U. Further discussion is planned for a later meeting. There will be a formal dinner meeting in May with F. H. Farris of the estate tax division and M. B. Lipscomb, who is in charge of pension trust and retirement plans, of the local department of the internal revenue office as honored guests.

Turpin Assistant Manager

E. Richard Turpin, formerly home office field training leader, has joined the Long Beach agency of Prudential as assistant manager. Before going to the home office Mr. Turpin was assistant manager at Oklahoma City, where he made an outstanding record in recruiting and training.

Samuel J. Carr, resident vicepresident of Standard Accident, and Mr. Pelstring.

Program of National A. & H. Association Convention Given

The program for the annual meeting of National Assn. of Accident & Health Underwriters at the Nicollet hotel, Minneapolis, June 28-30, has been completed. It will open with a luncheon session Monday, June 28, to be followed immediately by the afternoon session at which welcoming addresses will be given by Mayor Humphrey of Minneapolis, M. C. Laughman, North American Life & Casualty, president Twin City association, and Commissioner Harris of Minnesota. Gilbert H. Knight, Federal Life & Casualty, Cleveland, national president, will give his report. Following that session there will be a sight-seeing tour of the Twin Cities, winding up at the new home office of North American Life & Casualty for a smorgasbord and open house.

Breakfast meetings of the Leading Producers Round Table and women's division will be held Tuesday morning. At the regular convention session that morning, Earl Putnam, president Canadian Accident & Health, will speak on "Prestige Building," and R. C. Laub, vice-president of Monarch Life, on "Let's Face Realities." Governor Youngdahl of Minnesota will be the luncheon speaker. Speakers at the afternoon session will be G. A. L'Estrange, vice-president Wisconsin National Life, on "Attitudes;" J. E. Scholefield, vice-president North American Life & Casualty, on "The Business of Selling Insurance," and Walter G. Gastil, Connecticut General Life, Los Angeles.

National Council at Night

The meeting of the national council, at which national association business is transacted and new officers elected, will be held that evening.

Wednesday morning, with Conrad J. Eliason, chairman Leading Producers Round Table, presiding, there will be a round table discussion of selling techniques and related problems by a panel of Twin Cities producers. Archie A. Altermatt, Monarch Life, will be moderator and the participants will be Edward J. LeClair, Continental Casualty; Harvey E. Thompson, Washington National; James C. Hennes, Monarch Life; Domenic Stinziani, St. Paul Hospital & Casualty; Arthur W. Reibel, Massachusetts Protective, and Ken Kennedy, North American Life & Casualty. At the luncheon that day the newly elected officers will be introduced by President Knight. That afternoon E. F. Gregory, Business Men's Assurance, Denver, will speak on "Seven Keys to Closing," and Dr. Walter H. Judd, congressman from Minnesota, on "Insurance vs. Socialized Medicine."

A cocktail party will precede the banquet Wednesday night, which will close the convention.

Orr Takes Over Job of Lining Up Committees

Clifford H. Orr, National Life of Vermont, Philadelphia, vice-president of the National Assn. of Life Underwriters, has been named chairman of its committee on committees. It is charged with soliciting, from all present committee chairmen and state and local association leaders, names of members qualified and willing to serve on the association's standing and special committees. By having it headed by the incoming president much time is saved in getting committee activities under way after the annual meeting.

Conrey Columbus Speaker

At a meeting of Life Managers & General Agents Assn. of Columbus April 29 Kenneth W. Conrey, Pittsburgh general agent of Penn Mutual, spoke on "Responsibilities of Management."

The New Look

Wallis Boileau, Jr., Second Vice President of the Penn Mutual, recently writing of progress in life insurance, said:

"There is another new look to life insurance that is even more important than the one which is apparent only to the public itself. Someone has said that until a baby has passed the crawling stage, it sees its parents as made up chiefly of feet and legs. Whatever may have been the impression the public has had in the past, there is no disputing the fact that the public has now grown up and sees life insurance in its true form. There is a new look about us—a new raiment made up of the fabrics of strength, integrity, economic importance and unfailing ability to perform as we promise. And because there is this new look—this new comprehension, of what life insurance really means to the American family—there is inevitably a new demand that we shall train ourselves to use our great power and influence to even better purpose than we have in the past."

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

N. C. Congress Draws Some Noted Speakers

RALEIGH, N. C.—The annual traveling sales congress of the North Carolina Assn. of Life Underwriters was held in four strategic cities with several hundred agents attending. The cities were Raleigh, Greensboro, Charlotte and Asheville.

Speakers included: John D. Marsh, Lincoln National, Washington, D. C., "Veterans Affairs"; James T. Comer, Jefferson Standard, Gastonia, N. C., "There Is Money in Business Insurance"; Julian S. Myrick, second vice-president Mutual Life and chairman American College, "The Value of Education in Life Insurance"; Collis L. Ackiss, Metropolitan Life, Norfolk, Va., "The Lamp of Service," and John R. Humphries, Provident Life & Accident, "Human Interest in the Sale."

A. P. Mulligan, Greensboro, is president. Charles Siewers of Winston-Salem was congress chairman.

Led Prudential New Agents

Charles L. Surran, of the Long Beach, Cal., agency led all the newly appointed agents of Prudential in business paid-for during 1947. He is a retired naval captain.



★ "WHAT IS R & R DOING IN REGARD TO THE NEW TAX ACT?" EVERYTHING WE POSSIBLY CAN DO — AND AS QUICKLY AS POSSIBLE.

APRIL'S "ADVANCED UNDERWRITING SERVICE" carried a well-rounded discussion of important implications.

MAY'S "MANAGEMENT PLANS" brings (1) a program of meetings built around the act; (2) a guide in question and answer style; (3) a sales card built around the "pay-raise Uncle Sam is giving you"; (4) a booklet for the higher bracket prospect.

MAY'S "ADVANCED UNDERWRITING SERVICE" will bring (1) the act itself; (2) the revised R & R Tax Handbook; (3) the revised Estate Tax Analysis which is a step-by-step calculation of the tax.

THE SALES TRAINING DEPT. has prepared supplemental material so that the training courses can be used until permanent changes have been made.

WE REALIZE YOUR PROBLEM AND ARE DOING EVERYTHING WE CAN TO HELP YOU SOLVE IT.

THE INSURANCE RESEARCH & REVIEW SERVICE
INDIANAPOLIS

PAUL SPEICHER
Managing Editor

Boston Agency Gets President's Trophy



The W. Eugene Hays agency in Boston was selected as the winner for 1947 of the president's trophy of New England Mutual by a committee of the General Agents' Assn. Shown above, left to right: Vice-president George L. Hunt, President George W. Smith, Mr. Hays and H. C. Chaney, director of agencies.

The award is based on new business,

gain in insurance in force, number of full-time appointments, volume of first-year men and man-month production. The Hays agency's 1947 production of \$14,900,000 represented a 41% gain. It added nine men.

The Fowler agency of Chicago and the Oakland, Philadelphia and San Francisco agencies received honorable mention certificates.

K. C. Life Names Haggman Public Relations Director

Richard S. Haggman has been appointed to the newly created position of director of public relations of Kansas City Life. He was formerly publicity director of the Kansas City Chamber of Commerce. He will have charge of public relations, publicity, advertising, sales promotion, and some phases of employee relations. He will also work closely with the field training department in developing new sales aids and other material for the use of men in the field.

Before going with the chamber of commerce Mr. Haggman was a copywriter and production manager for the Beaumont & Hohman advertising agency and at one time handled industrial relations and a house organ for Cities Service Co. He also was on the advertising staff of Postal Life & Casualty and on the news staff of the "Daily Chronicle" at Manhattan, Kan.

Mr. Haggman attended Kansas State College, majoring in industrial journalism. He was a major in the army during the war, receiving the silver star. He was injured during the fighting at Saarlautern.

Pilot Goes on the Air

Pilot Life has signed a 52-week contract with WBT, Charlotte, for a half-hour radio program, six days a week, beginning May 3. This is the company's first large-scale radio advertising program. The program to be sponsored is "The Briarhoppers," a daily half-hour musical show, for years the largest daytime audience draw on WBT's schedule.

Baumann in D. C. May 12

WASHINGTON—President Jul B. Baumann of National Assn. of Life Underwriters will be guest of honor at a cocktail party May 12 at the Shoreham Hotel given by Raymond DuFour, Pacific Mutual general agent. Invited to meet him are a number of legislators and tax specialists from capitol hill, and government officials.

James Andrews, Jr., Is Named Ass't Counsel of L.I.A.

James Andrews, Jr., until recently secretary of General Milk Co., New York City, has been appointed assistant counsel of Life Insurance Assn. of America. He will devote his attention to the association's expanding group A. & H. activities. Much of his work will involve liaison with other insurance organizations active in the A. & H. field, and development work in connection with voluntary health insurance. This is in line with the idea that efforts in promoting sound and effective plans of voluntary group hospital, surgical and medical expense insurance can go far toward eliminating any alleged need for compulsory health insurance.

Mr. Andrews is a graduate of Haverford College. He received his law degree from University of Pennsylvania law school in 1936. His business experience includes acting as an attorney for Penn Mutual Life and five years as associate counsel of the Philadelphia retail firm of Strawbridge & Clothier. From 1943 to 1946 he was executive assistant to the head of foreign service section of the American Friends Service Committee, which represented the American Quakers in their foreign relief work during the war. In 1945 and 1946 he was in Finland, Sweden and Denmark, where he was in charge of setting up the relief program in Finland and the procurement of supplies from Sweden and Denmark.

"Career" Talks at Wis. U.

The Wisconsin Men's Assn. of University of Wisconsin has arranged a meeting for May 4 on "Careers in Insurance." Warren Coe of Oshkosh will speak on the opportunities for a career in life insurance. He is a million dollar producer with Penn Mutual Life and has been president of the Oshkosh Chamber of Commerce. Phillip Snodgrass, secretary and counsel of General Casualty, Madison, will speak on opportunities in the fire and casualty fields in selling, claim adjusting, underwriting, accounting, and statistical work.

Long Island Rally Stresses Simple, Usable Sales Ideas.

The annual luncheon and sales seminar of the Long Island branch of New York City Life Underwriters Assn. at Hempstead emphasized simple and usable ideas. A. M. Christensen, New York Life, Hempstead, presided.

Know why you want to see the prospect, and let him know why you want to see him, R. C. Holland, New York Life, advised. Don't beat around the bush or be too subtle in explaining why to prospects, he said. The successful agent must think. To do this profitably he should write down the general ideas about which he wants to talk with people and date the memorandum.

What New Man Needs

Leonard Y. Kunken, Mutual Life, Hempstead, emphasized the new agent's need of an attitude of humility and sincerity, use of organized sales talks, use of newspapers in prospecting, and the necessity of liking people and being interested in them and their problems.

Leon Gilbert Simon, Equitable Society, New York City, said business insurance is simple, not complicated. There is no reason for the agent to talk taxes on such cases. Talk to each prospect with the idea that he will be the survivor, and if there are three partners, talk to each in that way, he advised. Never stress the "buy" angle; talk about the surviving partner "inheriting the business." This conveys the idea of something for nothing, which everyone likes.

Horace E. DeLisser, Northwestern Mutual, Freeport, emphasized the use of visual aids. Halsey B. Josephson, Mutual Benefit Life, New York City, capably summed up the talks.

J. B. Haskin, agency supervisor for Washington National, has been visiting agencies in Texas.

Service

The institutions of Life and Accident and Health insurance are primarily ones of sales and service. We are building on that ideal with "Service" as our watchword.

Our Life and Accident and Health policies are salable and provide maximum coverage and protection to policy owners. Liberal agency commission contracts enable field representatives to build for the future.

We place a high value on human relationships as well as service.

WISCONSIN NATIONAL LIFE INSURANCE COMPANY
Oshkosh, Wisconsin

Program Given for Actuarial Society Annual Meeting

The annual meeting of the Actuarial Society of America will be held at Hotel Commodore, New York City, May 13-14. Horace R. Bassford, vice-president and chief actuary of Metropolitan Life and president of the society, will preside.

Four members of the council will be elected.

The following formal papers, presented at the fall meeting, will be open for discussion: "Allowance for Round-Errors in the Summation Check" by Chalmers L. Weaver, assistant actuary, New England Mutual; "Analysis of Joint Mortality Experience 1939-1945" by James S. Elston, assistant actuary, Travelers.

Following is the program of informal discussions:

NON-TECHNICAL:

I. New Policies and Related Problems

What have been the reactions of policyholders and agents to the new CSO policies as to change in premiums and net cost and as to new methods of defining nonforfeiture values and other factors? Have there been any marked changes in the distribution of business by plan? Has there been any noticeable trend to a lower premium form or to increased writing of supplementary term coverage? Have practices with respect to policy changes been altered? If the policy contains no specific change provision, will the company guarantee the basis of change either by endorsement or otherwise? What benefits available in the new policies have been made retroactive to old policies?

II. Investments

To what extent have interest rates on new investments improved since the low point in 1946? What is the probable trend during the next few years? What is the current trend in the mortgage loan field? Is borrower's demand for mortgage loans being maintained? Are FHA and VA loans available at lower premiums? What effect is the tightening of bank credits having on policy loan accounts and other life insurance investments? What is the attitude of companies toward the purchase of real estate for investment purposes? Have any bases been devised for writing off excessive construction costs of housing developments or new home office buildings?

III. Agency Problems

What are the current major problems with respect to compensation of agents, retirement benefits for agents, financing of agents and keeping agency expenses within the New York laws? Should the use of the career type of agents' contract be optional or compulsory in a company as a whole or in individual agencies electing its use? What has been the experience with salary compensation plans for ordinary agents?

IV. Future of the Society

How might the the society increase the value of its meetings to members? Should there be panel meetings on certain subjects such as group, etc., or by size of company with problems of similar type? The proposed merger with the American Institute of Actuaries.

TECHNICAL TOPICS

V. Current Experience

To what extent have increases in new insurance and total insurance in force offset rising costs? What are the prospects for the near term future? Have lapse and surrender rates been increasing during recent months? Is a relatively higher lapse rate experienced under business written by new agents?

VI. Underwriting

What are the recent developments with respect to the change in premiums and underwriting of substandard risks, aviation risks and non-medical business? What are the advantages and disadvantages of a sizable company ceding a portion or all of a substandard risk to a reinsurer?

VII. Group and Pension Trusts

What is the general practice with regard to the underwriting of accident and sickness benefits on employees who are insured under a state monopolistic plan? How far should companies go in offering group insurance to associations of small employers and other similar

Taxes in All Their Variety Discussed at A.L.C. Regional

The discussions on taxation at the American Life Convention Oklahoma City regional meeting ranged from the current situation with respect to possible revision of the formula under which the federal income taxes of life insurance companies are calculated to consideration of the growing number of municipal tax ordinances which tend to burden the companies with extensive accounting problems. The group discussed at some length the recent developments in the federal estate tax field, particularly those arising from the income tax reduction measure recently passed by Congress.

The effects of that law have not yet been thoroughly studied but numerous companies mentioned an increasing flow of queries concerning it from their agency forces. There was likewise a discussion of premium tax developments, particularly of the Oklahoma premium tax, which is the highest in the country, creating a situation which, it is hoped, may receive some favorable consideration at the hands of the Oklahoma legislature when it meets next year.

Discuss Louisiana Code

In the field of legislation, there was also considerable discussion of the proposed new Louisiana code, in which many of the companies represented are interested. In discussing supervisory problems, many expressed strong disapproval of a recent proposed extension of the gain and loss exhibit, and of the request of the California department for the filing of quarterly reports.

Interest rate movements, and resulting shifts in investment policies; mortgage experience; income properties; preferred stocks and their valuation, and other similar problems were among the subjects discussed extensively. The current situation in the social security field, particularly with regard to the status of agents, was another topic in which much interest was shown.

Those attending were deeply concerned over the serious illness of President Charles F. O'Donnell of Southwestern Life, who suffered a stroke soon after his arrival Monday evening and had to be taken to a hospital. Word that his condition was worsening reached the hotel Wednesday. Announcement of his death, early Thursday morning, came after virtually all of those attending had left the city.

The meeting was one of the largest regional gatherings ever held by the A.L.C. with 138 executives attending, representing 54 member companies from 18 states and the District of Columbia, as well as three non-member companies, and several organizations. Those present, in addition to attending the four long sessions, were extensively entertained by the three Oklahoma A.L.C. member companies, whose presidents, J. D. Morse, Home State Life; J. D. Hill, Atlas Life, and R. T. Stuart, Mid-Continent Life, acted as hosts. Mr. Morse, who is Oklahoma vice-president of the convention, headed the group. The principal item of entertainment was a cocktail party and lavish buffet dinner, followed by a floor show, with three companies as hosts. Both Home State and

groups? Is there any justification for issuing pension trust policies containing settlement, conversion or other provision more liberal than those contained in regular policies? If so, what facts justify the differences? What changes are advisable in the model group life definition and why? What has been the experience as to salability and other aspects of various kinds of group life paid-up plans?

VIII. General

Is there any cause for concern in the relatively small addition made to surplus funds last year by the average company? What changes in the social security act are being considered and if adopted what will be their effect on the business of life insurance companies?

the Mid-Continent, which are in Oklahoma City, opened their home office buildings to the visitors. They also arranged for a musical program during the Tuesday group luncheon. Mr. Stuart was host to out of town visitors at a breakfast Wednesday morning, and Mr. Hill maintained a suite where all were welcomed.

The sessions were conducted by President R. B. Richardson, who is president of Western Life of Montana. In his capacity as Oklahoma vice-president of the Convention, Mr. Morse opened the meeting with a brief welcome. He introduced Robert L. Hogg, executive vice-president and general counsel, who presented Mr. Richardson. Mr. Morse took the chair again, briefly, to introduce Governor Turner of Oklahoma, and later Mayor Street of Oklahoma City.

Career Conference Held at U. of Illinois

Opportunities and advantages of insurance as a life work were told by four speakers in a career conference conducted at University of Illinois by the Illini Insurance Society. This was a part of the novel program of Dr. Robert I. Mehr, director of the insurance department at the university, in which practical insurance men are being drafted to help and inspire the students in the insurance course. The society was developed by Dr. Mehr as a medium for this cooperative work.

Speakers and topics at the conference were W. J. Hindman, manager personnel

department, Lumbermen's Mutual Casualty, Chicago, "Sales Opportunities in Property-Casualty Insurance"; H. Paul Abbott, director of education North America companies, "Company Opportunities in Property-Casualty Insurance"; Walter C. Leck, of Nothhelfer & Leck, general agent of State Mutual Life in Chicago, "Sales Opportunities in Life Insurance," and Howard Altop, vice-president and personnel manager American United Life, Indianapolis, "Home Office Opportunities in a Life Insurance Company." In addition, Mr. Abbott exhibited a movie on job opportunities and functions in the home office of an insurance company.

Globe Moves Home Office

Globe Life of Illinois has moved from 431 South Dearborn street, Chicago, after 53 years in the same location, to 159 North Dearborn street. It occupies the entire fifth floor of a 7-story building which has been entirely modernized. The new quarters offer greater convenience to policyholders and provide the necessary facilities needed to take care of the business expansion during the last few years. William A. Alexander is president.

64 Get L.I.A.M.A. Diplomas

Sixty-four general agents, managers and home office executives from the United States, Canada and Hawaii have won diplomas awarded by L.I.A.M.A. for successful completion of the two weeks' school in agency management held recently at Coronado, Cal.



Our Platform Planks... mean business

Every plank is a strong plank in General American Life's business building platform. You can check here, plank by plank, the convincing reasons why: (1) Saleable contracts—developed with an eye to the public's wants and needs! (2) Visual sales helps that answer the prospect's question, "What does it do for me?" (3) "RADAR"—the interesting new direct mail prospect detector that ferrets out the prospects. (4) Multiple lines (Life, Endowment, Term, Juvenile, Annuities, Salary Savings, Pension, Trusts, Group, and Commercial Accident and Health) assure you that you're ALWAYS IN BUSINESS because you're in business ALL WAYS with

GENERAL AMERICAN LIFE INSURANCE COMPANY
WALTER W. HEAD, PRESIDENT
SAINT LOUIS

N.A.I.C. Life Committee Hears Group Suggestions

Suggestions being considered by the life insurance industry in connection with the proposal of the life committee of N.A.I.C. regarding amendments to the standard group life insurance definitions were discussed by representatives of the business at a hearing of the committee in Chicago Wednesday. The commissioners and the industry are separately drafting proposed changes in the definition and will get together later to give more serious consideration to the problem of group and particularly mass selling of life insurance when concrete drafts and amendments have been made.

Under the existing definition, it appears from statements made by spokesmen of the industry, some marked changes should be made, notably in the minimum number of lives required for trusted groups, number of certificates to be offered under a master certificate, and also in the conversion to be offered under a master certificate.

Proposal on Trusted Groups

Industry spokesmen were pretty well unified on proposals to make the minimum requirement for a trusted group five lives per employer. It was felt by those who spoke that the benefits of group insurance should be made available to the employees of very small employers as well as to the large ones. At the same time, there was fairly general agreement that the minimum should not be reduced to so small a number as two or three.

Another matter of fairly general agreement was that it would be unsound economically and in a social sense as well, to place too low a limit on the individual certificates. The commissioners plumbed the life men's ideas on what the lower limit should be, and there

seemed to be strong sentiment against placing this limit in or near the category of industrial life insurance. Life insurance leaders feel that the rich man has perhaps as great an economic problem to solve relating financing his family's period of reconversion after his death to a simpler style of living as has the worker. It had been suggested that the \$5,000 be the limit, even for top executives who earn large incomes. But the life men felt group insurance should not be so restricted, that it would be socially undesirable to do so and that perhaps the \$25,000 certificate should be permitted in order to meet the needs of the higher salaried executives.

It was stated there seemed no good reason for the commissioners or legislators to impose a maximum limit on life company group lives which would be for underwriting purposes, and that perhaps the only reason the lower limit had been suggested by commissioner was as a matter of public interest.

Discuss Conversion Limit

So far as the conversion privilege was concerned, the industry seems to favor the rule limiting conversion after termination of master contract to \$3,000 on policies in force at least three years. This was opposition to a proposal made by McCormack of Tennessee that conversion be permitted of such contracts on the basis of this schedule: \$1,000 if in force one year and less than two; \$2,000 similarly if in force for two years and less than three to four years; \$4,000 if in force four to five years, and \$5,000 if in force five years or longer.

One company counsel said his com-

pany might consider a \$5,000 limit. Another spokesman said a minimum number of lives of four might be desirable but not one or two. He did not agree on a \$5,000 limit, for he felt it was as sound underwriting to write \$5,000 of group on an executive making, say, \$10,000 or more, as it was to write \$5,000 on other employees. In an automobile association, however, he said, to write \$20,000 on an executive probably would be unsound underwriting. This official said he did not like the idea of having any dollar limit placed on group writing.

One of the commissioners remarked that life insurance has no obligation to protect the safety of a rich man through group insurance—except possibly in the same maximum amount as it will protect the poor man.

Another spokesman commented that group insurance is desirable to the point where it now covers an average of up to two years' salary and he felt it was proper to cover the rich man for \$20,000 and the employee for \$2,000.

Another life insurance leader said the industry has been trying in the past to place at least a year's salary through group insurance and now its objective is two years. He made special note of the consideration which would confront such a labor organization as the United Steel Workers of America, which has made several proposals for protection of its members including one plan that contemplates coverage of 18 months' wages. He said the steel workers' wages are generally quite high and the low limit of even so much as \$5,000 would make this plan unfeasible. He did not believe that a limit should be set up which would preclude realizing the aims of trade unions or other organizations to secure two years' wage replacement.

The spokesman for one of the large companies said that he did not urge

(CONTINUED ON PAGE 15)

Lists Settlement Situations That Need Liberalizing

Several questions as to how far the life companies may be willing to go in letting beneficiaries have the power to appoint contingent beneficiaries so as to be able to take advantage of the estate tax marital deduction were raised by K. Raymond Clark, Chicago tax lawyer, in his talk before the Stumes & Loeb agency of Penn Mutual in Chicago. While this problem does not arise in some types of settlement agreements it is involved where the insured names contingent beneficiaries other than the wife's estate and any installment or annuity apportion is provided for her.

Mr. Clark said that there would be no trouble about the surviving spouse having power to appoint which is broad enough to enable her to name her estate as the final payee, for even if a company refused to grant her this power to appoint, the insured could effect it by merely naming his wife's estate as the contingent beneficiary. He said that many companies have hesitated to grant a beneficiary the right to name or change beneficiaries in settlements elected by the beneficiary after maturity, their feeling being that the designation of payees to take after the beneficiary and perhaps invalid because of not being executed as a will. Since the same criticism is not applicable to her exercise of a power to appoint which is granted her by the insured through his insurance contract with the company, the question then arises, will the company be more liberal in permitting her to name contingent payees and payment options under the exercise of a power to appoint?

Raises Other Questions

Other questions of this nature which Mr. Clark raised are:

1. Will the issuing company include in settlement options elected by the insured (qualifying for the marital deduction) a provision vesting the surviving spouse with the same right to change the beneficiary and payment options that the company is now including in settlements elected by a beneficiary after maturity?

2. Will the companies grant the surviving spouse the right to elect more extensive settlement provisions in the form of contingent payees and options of payment (other than one sum) pursuant to the exercise of her power to appoint than they would permit the insured to elect during his lifetime.

3. If the proceeds are payable to the surviving spouse under an installment or annuity option will the company in the settlement agreement elected by the insured limit the extent to which the power of appointment may be exercised by the surviving spouse? In other words, will the settlement agreement of the insured grant her an unlimited power of appointment? Will it restrict the exercise of power in favor of her estate? Or will it specify the number or identity of contingent payees she may name in the form or manner of payment she may designate?

4. If the proceeds are payable to the surviving spouse under an installment or annuity option (exhausting principal)

(CONTINUED ON PAGE 15)

Program Given for A.L.C. Medical Section Meeting

The program for the annual meeting of the Medical Section of the American Life Convention has been completed by Dr. Reynold C. Voss, Pan-American, chairman; and Dr. F. Tulley Hallam, State Life of Indiana, section program chairman. The meeting, which usually draws an attendance of around 200, will be held this year at the Mount Washington hotel, Bretton Woods, N. H., June 24-26. Dr. Voss will preside at all sessions.

The complete program follows:

Thursday, June 24

Chairman's address, Dr. Voss. Greetings from R. B. Richardson, president A.L.C. and president Western Life, of Montana. Robert L. Hogg, executive vice-president and general counsel A.L.C., and Dr. Albert J. Robinson, Connecticut General; president Assn. of Life Insurance Medical Directors. Appointment of Committees.

Life Insurance Medical Exhibit, Dr. David S. Garner, Shenandoah Life. "Cirrhosis of the Liver: Its Etiology, Early Recognition and Natural History," Dr. Albert M. Snell, professor of medicine, University of Minnesota. Discussion by Dr. Lauritz S. Ylvisaker, Fidelity Mutual and Dr. Dale G. Friend, John Hancock.

"The Effect of Modern Treatment in Underwriting Syphilis," Dr. Arthur E. Parks, Canada Life. Discussion by Dr. Edward A. Keenleyside, Connecticut General and Dr. Joseph W. Johnson, Jr., Interstate Life and Accident.

Friday, June 25

"Legal Consideration in the Medical Underwriting of Life Insurance Risks", Douglas Henry, general counsel, National Life & Accident. Discussion by Dr. Thomas H. Dickson, Minnesota Mutual, and Dr. William B. Aten, Security Mutual of Binghamton.

Open Forum—Moderator Dr. Harry Dingman, Continental Assurance. "How shall we underwrite individuals contemplating non-military foreign travel and temporary residence?" Dr. J. Albert Avrack, United State Life. "Should the reported income or the 'take-home' pay be the yardstick for limits of coverage?" Dr. Karl W. Anderson, Northwestern National; "Does the role of tobacco in

cardiovascular disease merit underwriting consideration?" Dr. Hall Shannon, Southland Life; "Is the renal glycosuria a standard risk for life insurance? For waiver of premium?" Dr. Albert Seaton, American United; "Should the medical disability be administrative or solely that of a consultant?" Dr. John E. Boland, Country Life; additional topics or questions to be introduced by any member so far as time permits.

Annual Business Meeting.

Saturday, June 26

"Some General Considerations of the Glucose Tolerance Test in Insurance Underwriting", Dr. Rexford W. Finegan, Metropolitan Life.

"The Influence of Respiratory Allergy upon the Life and Health of the Individual", Dr. J. Harvey Black, M.D., professor of clinical medicine, Southwestern Medical College. Discussion Dr. John L. Humphreys, Reliance Life; and Dr. Sidney A. Harins, Mutual Life.

"Evaluation of Medical Examiners by Home Office Records", Dr. Frederick Fink, Franklin Life.

"Underwriting Problems in Gynecology", Dr. J. Grant Irving, Aetna Life. Discussion by Dr. Thomas F. Ross, Ohio State Life.

"Progress in Our Knowledge of Arteriosclerosis and Coronary Disease", Dr. Francis R. Dieuaide, scientific director, Life Insurance Medical Research Fund.

GENERAL AGENCY OPPORTUNITY SEATTLE, WASH.

Large Eastern Company seeks man with good sales and supervisory experience, either a resident of Seattle or desirous of locating there. Most attractive set-up and every assistance available to build successful agency. Our organization know of this situation. Write fully, in complete confidence, to Box Q-11. The National Underwriter, 175 West Jackson Blvd., Chicago 4, Ill.

Established 1905



**POSTAL
LIFE INSURANCE
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of
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is issuing all forms of Life Insurance—standard and substandard.

We are now in a position to accept business from Brokers and Licensed Agents. Several openings are available on the Company's Agency Staff. Direct Correspondence to

Agency Department
POSTAL LIFE INSURANCE COMPANY
511 Fifth Avenue
New York

Lincoln Now Chief Executive Officer of Metropolitan

On recommendation of Frederick H. Ecker, chairman, directors of Metropolitan Life have adopted an amendment to the by-laws which provides that the president shall be the company's chief executive officer. Mr. Ecker stated that President Leroy A. Lincoln has been an official of the company for more than 30 years and has served as president since 1936.

B.M.A. Ups Non-Medical Limit; Liberalizes D.I.

Business Men's Assurance has increased its non-medical limits on life insurance to \$6,000 at age 0-40, inclusive, and to \$3,000 at ages 41-45, inclusive. These limits apply to both males and females. If standard insurance has been issued by the company with medical examination during the past 12 months new insurance may be applied for on the non-medical basis for the following amounts: ages 0-40, \$10,000; ages 41-45, \$5,000.

The extension of benefits announced Jan. 1, 1948 on double indemnity benefits in new contracts will also apply to policies written prior to that date. This means that all policyholders having the double indemnity provision in their contracts may continue the benefit beyond

age 60 and be paid double in event of death by accident before age 65.

Another important benefit added Jan. 1 was the extension of double indemnity benefits to cover passengers anywhere in the United States in an airplane operated by a licensed pilot and used for transportation only. In addition, the benefits are extended anywhere in the world for a passenger in an aircraft operated by a passenger airline on a regularly scheduled passenger trip over its established route. This benefit which is now included in new contracts will apply also to all contracts written prior to Jan. 1.

Mage Leaves M.D.R.T. Executive Committee

For personal reasons caused by conditions beyond his control, John R. Mage, general agent Northwestern Mutual, Los Angeles, member of the 1948 executive committee of the Million Dollar Round Table has found it necessary to submit his resignation. John O. Todd, general agent Northwestern Mutual, was elected as Mr. Mage's successor. Mr. Todd first qualified in 1936, became a life and qualifying member in 1938, and has qualified each year since. He is a life and qualifying member for 1948.

A special midyear meeting of the executive committee was recently held at French Lick Springs to make final preparations for its 1948 annual convention which will be held there next Sept. 18-22 immediately following the close of the N.A.L.U. convention in St. Louis. Complete details will be released soon.

Insurance Leaders Address National Health Assembly

Harold R. Gordon, managing director of Health & Accident Underwriters Conference; R. A. Hohaus, actuary of Metropolitan Life; Ralph Walker, assistant actuary of Aetna Life; Dr. Paul R. Hawley, head of Blue Cross, and Louis H. Pink, Associated Hospital Service of New York, will be among those to address a section on medical care and national health insurance of the National Health Assembly called for May 1-4, at Washington, by Federal Security Administrator Ewing at the instance of President Truman. The President will address the 600 delegates on May 1.

Dr. Louis I. Dublin, vice-president Metropolitan Life, will preside at a luncheon meeting May 2, in connection with the assembly. He is a member of its executive council.

Union Central's \$500,000 Club Meets

The effect of the new federal tax law in providing the equivalent of salary increases was strikingly illustrated in a table presented by Clyde W. Ferguson, assistant superintendent of agencies, at the annual meeting of Union Central Life's \$500,000 Club in Cincinnati. Mr. Ferguson emphasized that the increase that everyone subject to withholding will get in his pay check after May 1 is a net increase in take-home-pay.

The first column shows the salary, the second the net increase in the pay check while the third, which really dramatizes the situation, shows the amount of total salary raise that would have been necessary, before the tax change, to yield the same net increase in the pay check. For example, the man who was being paid a salary of \$80,000 in 1947 would have needed slightly more than a 100% raise in order to net the \$13,147 figure which he will now receive from the federal government without any salary increase from his employer.

Married Couple—Two Children

Salary	Tax Savings (Net Increase in Pay Check)	Equivalent 1947 Law
\$3,000	\$3.20	100.36
4,000	104.80	126.42
5,000	135.90	171.81
6,000	195.50	247.16
7,000	274.10	364.01
8,000	349.62	464.30
9,000	441.38	617.32
10,000	552.14	787.50
12,000	770.82	1,176.56
15,000	1,172.17	2,014.60
20,000	2,063.38	4,226.24
25,000	3,099.81	7,299.42
30,000	4,158.66	10,541.10
40,000	5,981.41	18,855.34
50,000	7,710.28	28,813.53
60,000	9,450.59	43,029.71
70,000	11,264.70	61,996.44
80,000	13,147.33	80,024.69
90,000	14,984.08	97,114.34
100,000	16,878.79	113,349.00

At the opening banquet of the club, President W. Howard Cox was honored on his 40th anniversary with the company, and presented a bound anniversary book and especially made skeet gun, as reported in last week's NATIONAL UNDERWRITER. Immediately prior to his anniversary the field force conducted a special 40-hour campaign resulting in 1,088 applications for \$6,589,729. The anniversary book contained the reports of 67 agencies and the signatures of 477 agents and managers who contributed to the campaign.

At the formal banquet next evening,

Mr. Cox presented to Thomas H. Daniel, Sr., Atlanta general agent and a four times club member, a piece of antique Sheffield silver in recognition of his 50 years of outstanding service to the company.

Vice-president Wendell F. Hanselman was master of ceremonies. He introduced and presented club keys to 10 new members and certificates to those who had qualified in previous years. Special honor was paid to J. V. Boehm, Atlanta, for having produced more business than any other person in the half-million dollar group. The leading producers and their wives were also entertained at a supper dance at the Cincinnati Country Club. The three day convention concluded with a tour of the home office and luncheon in the Netherland-Plaza hotel.

Over 300,000 Now Employed in Life Insurance

The number of persons employed full time in the life insurance business passed 300,000 for the first time during 1947, according to L.I.A.M.A. Life insurance personnel now number about one-fourth more than prior to the war.

The increase in women employed in the business has been greater than that for men. Not only has the number of women employed in company and agency offices increased materially, but there are now more than 5,000 women engaged in field sales and service work as agents.

Morris Succeeds De Pau for Prudential in Chicago

Marion J. Morris has been appointed manager of Prudential's Chicago district office No. 2, succeeding Robert W. De Pau, Jr., recently named manager of Prudential's Miami district office. Mr. Morris has been assistant manager of the Chicago No. 6 district, where, in 1928, he started his insurance career as an agent. Mr. Morris will supervise the sales and servicing of all types of life insurance in Chicago's loop district.

Gives Tax Lecture Series

Bert C. Bentley, Chicago lawyer and tax specialist, is addressing two series of four meetings each on sales opportunities under the new federal tax law. The meetings are being held in the Equitable Society's Chicago office building, room 732, from 3:30 to 5:15. Meeting dates for the first group are April 27, April 29, May 4, and May 6. For the other group the dates are April 28, April 30, May 5 and May 7. The fee for the course is \$10.

Flew to Rally



Arthur W. McKelvey of Penn Mutual's Schnell agency of Los Angeles, is a former army flier who still uses a plane to combine business with education. Headed for the Penn Mutual education conference in Boca Raton, Fla., he flew there from Manhattan Beach, Calif., in a P-51, making a few business stops on the way east at El Paso, Dallas and Montgomery. Arriving at Boca Raton, he circled the conference hotel three times to salute his business associates gathered there.

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SCRANTON, PA.

ROBERT MERRIMAN, President

EDITORIAL COMMENT

The Navigator Can't Be a Yes-Man

In his presidential address at the meeting of the American Institute of Actuaries this week, J. Gordon Beatty, chief actuary of Canada Life, makes the point that there is danger in permitting the growth of the business to subordinate the actuary's department and submerge it in the whole organization, because the actuary is primarily responsible for the safety of the company and its contracts. In view of the possibly troubled times that may lie ahead, Mr. Beatty's warning is worth more than passing attention. In the course of years since the company failures during the depression, the idea of the impregnable safety of life insurance has become so taken for granted that it might be well to stop and remember that although there is an inherent strength in the typical life insurance setup, the actuary is still the navigator who is primarily charged with keeping the company on a

course of unquestionable safety.

It is reassuring to realize that in a world of uncertainty life insurance can be as safe as it wants to be. In most other lines of business one company may make a brilliant success while another, apparently just as well managed and operating in just as good a market, may fade out altogether. In life insurance, however, the rules are so simple and well tested that the only way it is possible to invite disaster is to deliberately ignore the time-tried principles. It is worth-while noting that in none of the life insurance failures that have taken place, at least in recent years, has disaster sneaked up from behind and mowed down any company in a surprise attack. It was not any overpowering outside force or combination of conditions but rather an inner weakness, which could have been averted by listening to competent actuarial advice.

"Glory Enough for All"

The uneasiness which some leaders in the C.L.U. movement felt about the danger of the Life Underwriter Training Council's drawing away potential members from C.L.U. study groups has fortunately been allayed by an able envoy of the L.U.T.C. and we hope that these two important aspects of life insurance education can travel in harmony and not generate any feeling that either is poaching on the other's preserves. Certainly the saturation point in life insurance education facilities is far from being reached. At all events, the C.L.U. courses and the L.U.T.C. instruction aim at different levels of agent development.

If there actually seemed to be a danger that the L.U.T.C. would siphon off any appreciable number of potential C.L.U. students, the situation may point to a failure to understand accurately what each of these two institutions is trying to do. The L.U.T.C. is designed for the agent who has been in the business one to five years and particularly for agents who have reached a production plateau. The L.U.T.C. course is closely geared to the production aspect of an agent's work. Study for the C.L.U. examinations, on the other hand, may very well help a man to be a better producer but the stress is on education rather than training.

It would seem that the agent who really needs what the L.U.T.C. has to offer might be getting beyond his life insurance depth, so to speak, if he

started out to study seriously for the C.L.U. examinations.

At the other end of the scale is the possibility of overlap between the Purdue and Southern Methodist University campus courses and the L.U.T.C. program. At first there was some confusion as to the relative positions of the campus courses and the L.U.T.C. However, this has been readily resolved and it is now well understood that the campus training course comes after preliminary training in the agency, preferably long enough to hold down agent mortality, while the L.U.T.C. course is for agents who have been at least a year in the business for the basic course and two years for the intermediate course.

While the possibility of conflict with the C.L.U. program seems happily averted, the L.U.T.C. is reported to be experiencing a lack of cooperation in some few associations on the theory that the local association people are expected to do an undue amount of work in connection with the program. Fortunately, however, the program seems to be gaining acceptance on a sufficiently wide basis so as to have a chance to prove its worth. When that has been done there should be no lack of association leaders to carry forward the program in their communities, no matter what the current lack of enthusiasm may be in certain isolated cases.



PERSONALS

C. Milton Sherman, Northwestern Mutual, Toledo, has qualified for the Million Dollar Round Table for the fourth successive year.

Henry M. Gasser, who heads the art activities in the advertising and publications department of Prudential, has been elected an associate member of the National Academy of Design.

A. Van Pritchard, Memphis general agent of Connecticut Mutual Life, recently elected vice-president for west Tennessee of Tennessee Assn. of Life Underwriters, who owns and flies his own plane, has been elected chairman of the aviation committee of the Memphis Chamber of Commerce.

Andrew F. Goyette, general agent of Occidental Life at Pittsburgh, and Mrs. Goyette, have returned from a cruise to Venezuela.

Fred L. Conklin, president of Provident Life of North Dakota, has been re-elected a director of the U. S. Chamber of Commerce. **Laurence F. Lee**, president of Peninsular Life, also a chamber director, spoke at a luncheon at the annual chamber meeting in Washington as chairman of the urban transportation committee.

Harold Rossman, agency director of Equitable Society, represented President T. I. Parkinson during the week of the Battle of Flowers and Fiesta de San Jacinto at San Antonio.

DEATHS

John P. Fitzpatrick, 57, assistant manager for Metropolitan Life at Cambridge, Mass., died there.

George C. K. Ching, 37, agent in Honolulu of Lincoln National, died suddenly of a cerebral hemorrhage. Mr. Ching ranked high among the company's per-

sonal producers, and made the Million Dollar Round Table for 1946 and 1948.

Mrs. S. E. Allison, wife of the chief actuary of Life of Georgia, died at Atlanta. She had been ill several months.

A. G. Wanger, 47, Bankers Life of Iowa, Tucson, died at his home following an emergency appendectomy.

Mark L. Tallman, 57, accident and health general agent at Chicago for Continental Casualty, died. His health had been uncertain for some time. Mr. Tallman was the first general agent appointed in Chicago by the intermediate division of Continental Casualty.

Woodson at Fort Wayne

Sponsored jointly by Fort Wayne Life Underwriters Assn. and Chamber of Commerce, B. N. Woodson, executive vice-president of Commonwealth Life, spoke on "The Property Value of Your Life Insurance."

Cox Gets Skeet Gun



President W. Howard Cox proudly displays a specially made skeet gun presented to him by Robert G. Wall, New York City, on behalf of the Union Central \$500,000 Club, of which he is president. At left is Superintendent Shield of Ohio. The gun was presented in recognition of Mr. Cox's 40th anniversary with the company.

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Effect of 1948 Tax Law on Estates

(CONTINUED FROM PAGE 2)

estate taxes and state inheritance taxes. In that case the marital deduction will be \$100,000 (subject to the 50% limitation). But now suppose the wife is given one-half of the residuary estate and suppose the residuary estate amounts to a million dollars, she is given one-half of that and the testator has directed that out of the residuary estate all inheritance and estate taxes be paid; while one-half of the residuary estate before taxes would be one-half of a million dollars, the marital deduction will not be one-half of a million dollars because the residuary estate will first be decreased by the amount of the estate and inheritance taxes. So the marital deduction will be equal to one-half of the estate after deduction of state and federal inheritance and estate taxes.

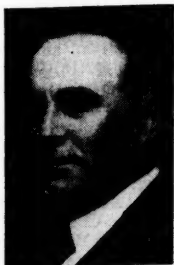
You can see we've got a problem there because we can't figure out the federal estate tax until we know the marital deduction and we can't figure out the marital deduction until we know the federal estate tax. It has to be worked out by an algebraic formula with two unknowns.

As you recall, the rule used to be that when property passed to a wife and an estate tax was paid on it and she died within five years, there was a credit given for that property passing to the wife. That has been eliminated. In such a case, even if she dies the next day, it is all included in her estate. That only applies to property passing to surviving spouses and not to a third party.

I am going to give you some examples, which I think will be helpful in explaining the new act.

C. F. O'Donnell, Southwestern Life Head, Dies Suddenly

President C. F. O'Donnell of Southwestern Life died at St. Anthony hospital, Oklahoma City, April 22. He was stricken the morning of April 20, while attending the regional meeting of American Life Convention. Judge O'Donnell had been president of Southwestern Life since 1945. Under his leadership the company grew from \$273 million of insurance in force with assets of \$44 million to \$655 million in force and assets exceeding \$160 million.



C. F. O'Donnell

Mr. O'Donnell was born in 1882, received his law degree from the University of Texas in 1907, served as Dallas prosecuting attorney 1908-11, judge in Dallas corporation court 1911-13, and as city attorney until 1917, when he resigned to become a member of the firm of Cockrell, McBride & O'Donnell. He was active in law practice in Dallas until he became president of Southwestern. Judge O'Donnell became a director of Southwestern in 1926, general counsel in 1929, vice-president and general counsel in 1930. He headed the Dallas Bar Assn. in 1927, was a member of the committee of three who wrote the city charter of Dallas which instituted the city manager form of government in 1931, and was a director of Texas Centennial Central Exposition, Greater Texas and Pan-American Exposition, and First National Bank of Dallas. He was president of Texas Life Convention in 1933-35, and was state vice-president of American Life Convention. He was a director of Institute of Life Insurance and Life Insurance Medical Research Fund.

1. Brown makes a gift of Blackacre

to his wife, Jane, and two years later he dies. The gift is not in contemplation of death. Although Blackacre has passed to Brown's widow, no marital deduction is allowed in respect of Blackacre as its value is not included in determining the value of Brown's gross estate and the marital deduction is not allowed with respect to any interest in property which is not included in the decedent's gross estate. The example is to illustrate this point. I originally said the marital deduction is allowed for all property passing to the surviving spouse. That applies only to the extent that the property is included in the gross estate. So if there has been a gift that is not in contemplation of death, the property is not included in the gross estate and no marital deduction is allowed.

2. In 1947, Brown makes a gift in contemplation of death to Jane Smith of \$100,000. In 1948, Brown and Jane Smith are married. Brown dies in 1949. The gift of \$100,000 is included in Brown's estate as it was made in contemplation of death but it does qualify for the marital deduction. The status of an individual as a decedent's surviving spouse is determined at the time of the decedent's death. Conversely, if Brown and Jane Smith were married at the time the gift was made but divorced at the time of Brown's death, the marital deduction would not be allowed.

Gift of a Future Interest

3. Brown by his last will devises Blackacre to his wife for life and then to whomever she may appoint by her last will and testament and in the event of her failure to make an appointment then to his children who are living at the time of his death. That is called giving a future interest in property. We don't use it much in Chicago. We use trusts when we want to do that sort of thing. Downstate it is done a lot. It is done particularly with farms and valuable pieces of land. It is done to some extent here around Cook county but not as much as downstate.

To repeat, Brown gives his wife Blackacre for as long as she shall live and then at her death Blackacre is to go to whomever she appoints by her last will and testament, and if she doesn't appoint anybody, then it is to go to the children. There is some doubt as to whether the marital deduction is allowable. However, a strict reading of the act and implications contained in the committee report indicates that a marital deduction is not allowable. Although Mrs. Brown could appoint Blackacre to her estate, by virtue of the provisions of the act, the presumption is that the remainder interest in Blackacre will pass to someone other than her estate and therefore the marital deduction would not be allowed.

If Blackacre had been placed in trust for the benefit of Brown's wife, the marital deduction could have been obtained, because the trust is an exception to the exception. However, in the case given we don't think it would be allowed. The reason it would not be allowed is because the wife's interest is a terminable interest, in which an interest in the same property passed to somebody else. But if it had been placed in trust, we would have come within an exception to the terminable interest rule, which indicates readily how technical the concepts are because you could accomplish exactly the same results by placing Blackacre in trust for the benefit of the wife.

4. Brown by his last will devises Blackacre to his wife, Mary, but provides in the even she remarries, Blackacre shall go to his son, Tom. Although Brown has given his entire interest in Blackacre to his wife, her interest may be defeated by the occurrence of a contingency. Therefore, the marital deduction would not be allowed. The same result would be obtained if Brown be-

queathed Blackacre to his wife, Mary, for as long as she resided in Washington, D. C.

All the examples, excepting those which I will note as questionable, are fairly clear. Many of them are in the committee reports. There are two questionable ones we are not quite so clear on.

Remainder in Fee to Son

6. Brown by his will devises a life estate in Blackacre to his surviving spouse with the remainder in fee to his son. This is a typical example of a terminable interest concerning which the requirements of the act are satisfied and therefore the marital deduction is not allowed. The situation would not be changed by the fact that the wife sold her life estate for cash after Brown's death or the son transferred his remainder interest to Brown's wife after Brown's death and she thereby became owner of the fee because of a merger of the life estate in the fee. The existence or non-existence of the deduction is determined at the death of the decedent and not by what happens after his death.

There is one exception to the last sentence. Let's assume a man dies and leaves everything to his wife for life and then to his children so ordinarily there would be no marital deduction. Is there anything that can be done? Yes, there is. She can renounce the will. Under the laws of Illinois, she has a right to take one-third outright (if there are children), and therefore there will be a marital deduction allowed for whatever passes to her outright under the laws of Illinois upon the renunciation of a will. However, you can see it might often be unwise or cost her money to renounce. If she renounces a will she can't take the benefits under that will, and in the case I gave, she would have the income as long as she lived. She would have to renounce that.

Renouncing May be Costly

So, while there is something that can be done after a man dies in the form of having the surviving spouse renounce, the estate doesn't get the full tax advantage because she gets only one-third and, secondly, it may upset the entire distribution of the estate and, thirdly, the bulk of the estate may be life insurance or set up in a trust outside the will and, therefore, there is nothing to renounce. She can't renounce the life insurance. That goes as in the settlement option.

6. Brown by his will devises Blackacre to his wife for life and then to his grandchildren. If no grandchildren survive the wife, then to the estate of his wife. No marital deduction is allowable. The result would be the same even though the contingent remainder went to Brown's aged mother who had very little possibility of surviving his wife. The reason is that by some possibility her interest might be defeated.

Retains Lease

7. Brown owns the entire interest in Blackacre. He transfers Blackacre by gift to his son but retains a lease for 20 years. At his death, Brown bequeaths his leasehold interest to his surviving spouse. No marital deduction is allowed because the interest passing to the surviving spouse is a terminable interest in Blackacre in which an interest also passed from Brown to his son, even though it passed to the son prior to death.

8. The entire proceeds of a \$100,000 life insurance policy on the life of Brown are payable to his wife and the value of such proceeds is included in determining the value of his gross estate. A marital deduction is allowed with respect to the value of the proceeds because no person other than Brown's wife has an interest in the proceeds. The result will be the same whether such proceeds are payable in a lump sum or payable in installments to the surviving spouse for a term with unpaid install-

(CONTINUED ON PAGE 15)

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AMONG COMPANY MEN

Foskett Retires from Equitable, Ia.

Horace W. Foskett has retired as financial vice-president of Equitable of Iowa after almost 30 years of service, because of ill health.

Immediate past president of Life Office Management Assn., Mr. Foskett also had participated in the activities of Life Insurance Assn. of America, National Assn. of Insurance Commissioners and American Life Convention. He

has been a member of the joint committee on blanks of A.L.C. and L.I.A. during recent years.

Mr. Foskett joined Equitable in 1919 following his college training at University of Wisconsin and service in the first world war. In 1923 he was made assistant secretary and in 1926, the title of assistant treasurer was added. In 1938 Mr. Foskett was named assistant vice-president and in 1943 financial vice-president, serving as head of the investment division.

Besides his responsibilities as financial vice-president, he was actively concerned with the general office management of the company and served as chairman of the office committee. He formerly headed the Des Moines chamber of commerce and community chest.



H. W. Foskett

Trotter Agency V.P. of Nat'l Equity

J. Bruce Trotter, associate superintendent of agencies of Pan-American Life, has resigned to become vice-president and agency director of National Equity Life of Little Rock. Mr. Trotter started with Pan-American in 1918 as an office boy, later serving in the actuarial, accounting and conservation departments. He became cashier of the Louisiana department in 1930, and later assistant supervisor of conservation. In 1933 he became agency assistant and in 1935 agency secretary, handling all agency advertising, sales promotion and editing of home office publications. Mr. Trotter became assistant superintendent of agencies in 1940 and associate superintendent this year.



J. B. Trotter

W. O. Cummings Wins Huebner Scholarship

William O. Cummings, for the last two years director of sales promotion activities for Kansas City Life, has resigned to accept a scholarship from the S. S. Huebner Foundation for insurance. He will enter the graduate school of University of Pennsylvania in June to

work toward the degree of doctor of philosophy. He plans to enter the teaching profession on completion of the three-year training program.

A graduate of the University of Pennsylvania's Wharton school, Mr. Cummings already has had extensive training and experience in life insurance. Before graduation he had already completed the C.L.U. examinations. He became an agent in Chicago of Connecticut Mutual and later worked for more than a year in the educational department of Continental Assurance.

After returning from naval service he joined Kansas City Life as supervisor of advertising and sales promotion program, his duties also including the writing and production of a new version of the correspondence sales training course. He will remain in Kansas City through May to aid in the transfer of his duties to the newly created division of public relations.

Mr. Cummings is a son of O. Sam Cummings, manager of Kansas City Life at Dallas.

Johnstone Named Associate Actuary of State Mutual

State Mutual Life has appointed William C. Johnstone as associate actuary, effective May 3. He was born in Glasgow, Scotland, and graduated from Glasgow University with the degree of master of arts and bachelor of science in mathematics and pure science.

In 1930 he joined the actuarial staff of Sun Life of Canada, serving for 15 years in various positions of actuarial responsibility. He resigned in 1945 to become actuary of Boston Mutual Life. He is a fellow of both actuarial bodies.

C. E. Crane Made Officer of Nat'l Life of Vermont

Charles E. Crane, director of publicity of National Life of Vermont since 1931, has been elected an officer with the title of assistant to the president.

Mr. Crane is widely known in newspaper and insurance advertising circles in Vermont and throughout the country. After attending Dartmouth College, Mr. Crane joined the Associated Press staff, serving in Boston, New York City, Pittsburgh and other cities, with an interim of one year in London as feature writer for American newspapers. After 15 years with the A.P. Mr. Crane returned to Vermont to buy and edit the Middlebury "Register."

Later Mr. Crane was an editor and columnist for nine years on the Brattleboro "Reformer."

Mr. Crane is author of three successful books, including two well-known volumes on Vermont, "Let Me Show You Vermont", "Winter in Vermont", and "Pendrift", and contributor to other volumes. Mr. Crane will have continued connection with the company's publicity and public relations program, together with special assignments, and special writing in connection with the 100th anniversary of the National Life in 1950.

Penn Mutual Promotes Two

Penn Mutual Life has promoted Reuben S. Kilpatrick to assistant treasurer and Charles H. Butler to assistant to the

treasurer.

Mr. Kilpatrick has been with Penn Mutual since 1914 in the secretary and treasurer's department. He is a veteran of the first world war. Mr. Butler joined the company in 1922 and has been chief security clerk.

John Hancock Names Morris Associate Actuary

Douglas P. Morris has been appointed associate actuary of John Hancock Mutual. He has been vice-president and actuary of Home Security Life of Durham, N. C. Previously he was associate actuary of London Life, which he joined following his graduation from University of Western Ontario in 1925. He is a fellow of both actuarial bodies.

Leaves Mutual Benefit Board

Milo W. Wilder, Jr., formerly vice-president and director of Mutual Benefit Life resigned from the board because he felt that staying on the board would be incompatible with the new connection he has made with John J. Reynolds, Inc., real estate firm in New York City.

Opens Sacramento Loan Office

Prudential will open its third California mortgage loan branch at Sacramento May 1. E. C. Rogers, who has been with Prudential since 1932, is manager. He has been with the San Francisco and Los Angeles branches as farm loan manager.

COMPANIES

N. W. Mutual Gains Told by Fitzgerald

Northwestern Mutual in the first three months experienced its second largest first quarter year in new business, President Edmund Fitzgerald reported. There was a slight increase in insurance terminated through lapse or surrender but the record still is far better than normal.

Further improvement was shown over the favorable mortality record of 1947. Insurance in force grew substantially and is at an all-time high of \$5,493,777,291 on 1,313,101 policies. Sales in the quarter were \$115,804,936, with an additional \$6,406,48 in revivals and dividend additions, and \$1,005,638 in life annuities paid for.

Leading general agencies in sales were: Victor M. Stamm, Milwaukee; B. J. Stumm, Aurora, Ill.; Jamison & Phelps, Chicago; P. T. Allen, Buffalo; C. L. McMillen and Krueger & Davidson, New York City; A. C. F. Finkbinder, Philadelphia; John R. Mage, Los Angeles; Marue A. Carroll, Oshkosh; Merritt Mason, Toledo; Charles R. Eckert, Detroit, and Frank R. Horner, Madison, Wis.

Financial Results Shown

Total income in the quarter was \$83,789,105, including \$56,389,927 premiums and \$15,238,854 interest and other earnings on investments. Disbursements were \$50,630,937, including taxes of \$2,078,439; dividends to policyholders \$10,673,494, and \$15,625,018 payments on 3,715 death claims. All payments to policyholders and beneficiaries totaled \$33,204,400, with an additional \$7,260,487 paid beneficiaries from funds left with the company under income plans of settlement.

New investments in the first quarter were made at a rate of interest above that of the same period in 1947, President Fitzgerald said. Demand for mortgage money to finance new home construction has continued, and the mortgage loan account increased by over \$15 million in the quarter.

Included in the \$2,186,955,923 assets were bonds \$1,762,942,218, preferred stocks \$48,992,620, both at admitted asset value; mortgage loans \$206,895,900, including \$77 million residence loans;



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Mr. Butler
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\$36,601,217 in real estate investments, land contracts, home office and farm properties; \$67,714,169 policy loans and \$16,031,021 cash.

Goes on Direct Mail Basis

American Home Life of Spencer, Ia., has discontinued agency operations, President Fred C. Crowell announced, and hereafter will secure its business through advertising and mail solicitation.

N. Y. Life Lends \$12 Million

Pillsbury Mills, Inc., has borrowed \$12 million on a 3 1/4% note from New York Life.

Protective Mutual Life of Chicago has moved its home office to 543 East 63rd street.

Supreme Liberty Life of Chicago has been licensed in California.

CHANGES

Great-West Puts Reitz in Kansas City Post

Loren E. Reitz has been appointed manager for Great-West Life in Kansas City. Mr. Reitz, a native of Kansas City, returns after two years as manager for Manufacturers Life at Chicago. He served in the army air force in the war, becoming a major.



L. E. Reitz

Mr. Reitz has has experience both in personal production and agency management. He attended the University of Kansas and the Kansas City law school.

State Mutual Group Dept. Names A. A. Dunn in Boston

State Mutual Life has appointed Arthur A. Dunn as group department home office representative for New England, with headquarters in Boston. He succeeds Carl A. Whitman, who was recently promoted to superintendent of sales in the group department at the home office.



A. A. Dunn

Immediately after graduation from Tufts College in 1937 Mr. Dunn joined the Boston office of Hardware Mutual Casualty of which he has for the past two years been group representative for Massachusetts. He was a wartime naval officer, serving in the south Pacific.

Enters Wash., Oregon

Jefferson Standard has become licensed in Washington and Oregon and is opening agencies in Seattle and Portland. T. A. Proctor is manager at Seattle. He has been with the company 14 years. He has been district manager at Annapolis, Md. The Portland managerial appointment will be announced soon.

The company is also opening agencies in Albuquerque and Baton Rouge.

OPPORTUNITY

In a Michigan town of 15,000. Proved life underwriter, also called lines. Plenty of leads. Well established agency, need partner. Address Q-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Manager at Albuquerque is J. C. Toffelmire, formerly district manager there. Gary Anderson, formerly district manager at Orangeburg, S. C., becomes manager at Baton Rouge.

Sun Names Mack at Montreal Following W. W. King Death

Harry E. Mack has been named a manager of Sun Life of Canada at Montreal, succeeding the late W. W. King. A graduate of Mount Allison University, Mr. Mack joined Sun Life in 1927 and served for four years at the home office before entering the field as an agent in 1931. In 1945 he was appointed inspector of agencies, Canadian division. He acted in that capacity until last December when he was named associate manager of the branch he now heads. He was a flight lieutenant in the Canadian air force.

Mr. King joined Sun Life in 1923 and was appointed manager in Montreal the following year. He was in the Canadian army in the first world war.

Great Southern Appoints J. H. Thames in South Texas

Great Southern has appointed Jesse H. Thames as manager of the south Texas agency. He entered life insurance in the industrial field in 1939, by 1942 he became an assistant superintendent. He joined Great Southern in 1946 and immediately became an outstanding producer.

R. J. Gold Retires

Robert J. Gold retires May 1 as manager of Prudential's district office No. 5 in New York City. Mr. Gold has been with Prudential for 32 years, the past 19 in the New York post. He joined Prudential as an agent in 1916 at Mount Vernon, N. Y., and served there, at New Rochelle and in Port Chester.

Brown Brokerage Supervisor

William S. Vogel, Newark general agent of Columbian National Life, has appointed John J. Brown brokerage supervisor. Before the war he was in the general insurance business at East Orange and during the war assistant factory manager of Thomas A. Edison Industries.

Perkinson Named in Pa.

Boyd K. Perkinson has been appointed general agent by Girard Life at Glenside, Pa. He has been in life insurance work there for a number of years and was a consistent honor club qualifier in his previous connection.

Stevens Okla. Manager

James H. Stevens is new state manager in Oklahoma for Reserve Loan Life. He succeeds Dave Kerr, who has been appointed agency supervisor of Mid-Continent Life.

The group department of Bankers Life of Iowa has appointed Stephen L. Cogswell at San Francisco as group representative to assist Eugene T. Severin.

Benjamin C. Gann has retired after 22 years as assistant manager and agent of Metropolitan Life at Chattanooga. Harvey E. Bearden, district manager, staged a week-end fishing party in Mr. Gann's honor.

Pleads Guilty to Taking Premiums

Amos W. Mitchell, Sparta, Wis., insurance agent, pleaded guilty to converting National Guardian Life premiums to his own use. He was given prison sentences on five counts and was paroled for the period to the state department of public welfare.

Mitchell said he would make restitution and his attorney pointed out that the company, through commissions on renewals, would recover the amount.

ACCIDENT AND HEALTH

Malone Rejects New Plan for Pittsburgh Hotel Group

HARRISBURG, PA.—A group insurance plan for Pittsburgh Hotel workers, under which the "extra" coverage now offered only to employees of William Penn Hotel would be continued but limited to workers who are now carrying additional coverage over the standard health and accident policy, has been rejected by Commissioner Malone.

Prudential, which submitted the plan, is considering an alternate system under which hotel workers may take additional coverage by paying 40% of the premium, while the hotels pay 60%.

Would Have Increased Costs

Malone said the plan he disapproved would have resulted in increasing premium costs each year, if limited to the present group, because of the turnover of workers, and no new subscribers being added.

The commissioner said Prudential wanted to write separate policies for dependents of workers, but that this was illegal under state insurance laws; that the dependents would have to come under the same group system.

Local 237, Hotel & Restaurant Employees Alliance, wants to handle the insurance, with the hotels paying the union 4% of the workers' wages. Malone has ruled against this, and an appeal by the union is now pending in Dauphin county court.

Downey Again Raps "Rackets" in A.&H. Insurance

Commissioner Downey of California, at the meeting of the governor's council at Sacramento, in an oral supplement to his regular monthly report, heavily scored a minority group of health and accident insurers that he said are conducting their business in California as "an outrageous racket."

Mr. Downey declared that from 90 to 92% of the companies transacting disability insurance in the state "are endeavoring to do a good job."

In his denunciation of the so-called "cheap policies," he ridiculed those which offer to policyholders insurance against such rare occurrences as "being gored by a bull; falling from a hearse, or being killed by an explosion of a steam boiler on a boat operating on navigable waters of Minnesota."

Mr. Downey is chairman of the subcommittee of N.A.I.C. which presented the draft of a minimum benefit policy law at Chicago recently.

Disability Period Clarified

Commissioner Malone of Pennsylvania has notified companies writing A. & H. business in that state that policies containing the wording that the disability period is defined as "the period beginning with the date that written notice of actual disability is received at the home office" must be discontinued.

Landmarks of Distinction



[Lighthouses at Cape Henry, Virginia—the old one being first established by the United States Government on the Atlantic Seaboard.]

ATLANTIC LIFE INSURANCE COMPANY

Organized 1899

RICHMOND, VIRGINIA

Directing the Way Toward Financial Security
Since the Turn of the Century



The COLUMBIAN NATIONAL LIFE INSURANCE Company

BOSTON, MASSACHUSETTS

NO COBBLER'S CHILD, HE . . .

The Columbian National representative has Group Life, Hospital for self and dependent, and an excellent Retirement Plan.

BUILT ON INTEGRITY GROWING ON SERVICE

in favor of policies whereunder the disability period shall commence with the actual date of disability. The commissioner has advised companies that such policy forms must be discontinued no later than Aug. 1.

Sales Power in A. & H. Field, If It Is Developed

Speaking on "Sales Power—Unlimited," O. J. Breidenbaugh, executive secretary of the National association, told the Chicago association at its April meeting Tuesday, that the accident and health business has the latent power in its ranks to meet all the responsibilities that confront it but that it is necessary to step up production and that the way to accomplish that is for producers to learn more about sales techniques and the fact that there is a better way to do the job. He said the National association has stressed that training is the first step and declared that his experience with Purdue and other classes has demonstrated that with proper training production can be improved.

He pointed out that accident and health production increased approximately 22% last year, and asked: "How about you?" With many producers below that figure, he said there really should have been an increase of 50% for a producer to feel that he is keeping up with the procession.

He stressed the necessity for believing in one's product and said that in all the classes he has conducted a preliminary survey was made to find out whether the students carried life insurance and accident and health insurance, and if so, how much. It was found that 98% carried life insurance but only 39.6% had any accident and health coverage.

Accident and health insurance has now grown up and there is a great need for leadership, for men with vision,

both in the production ranks and in association work. There is a great field for that coverage, because it meets human needs. If the business doesn't meet those needs, someone else will. "We haven't done what we should do," he said, "and we have to move and move in a hurry."

There is a real sales job to be done, both in selling the business to new recruits and in selling the association idea. Mr. Breidenbaugh praised the Chicago association for its achievement in taking the top place in point of membership but said it should not rest on its oars. He told of a visit he had just made to the New York City association and said that while establishing an association there was a tough job it is now going along at a pace which might well challenge the Chicago group before long.

President Jay De Young announced that officers will be elected at the next meeting May 18. The nominating committee is composed of B. H. Groves, Travelers; W. C. Kummerow, Continental Casualty, and Mr. De Young. The new officers will be installed at the golf outing June 18.

Revive A. & H. Institute

The Accident & Health Insurance Executives Institute will be reactivated by Health & Accident Underwriters Conference July 26-28 at the Drake Hotel, Chicago. E. J. Faulkner, Woodmen Accident, chairman of the conference education committee, announces.

The institute was established in 1945 to promote a better understanding of the disability insurance business and its problems and procedures, and held its first meeting that year at Purdue University but was suspended because of lack of meeting facilities.

Want Hedges on Board

Wichita Assn. of Accident & Health Underwriters has endorsed Bert A. Hedges, Kansas manager of Business Men's Assurance and first president of the Wichita association, for election to the National association executive board at the annual meeting at Minneapolis.

SALES MEETS

Minn. Mutual Holding First of Four Regionals

Minnesota Mutual is this week holding the first of four regional sales meetings to run through May 12. Gatherings are being held at the Old Hearst Ranch, Pleasanton, Cal., Edgewater Beach hotel, Chicago; Cavalier hotel, Virginia Beach, and Majestic hotel, Hot Springs. More than 600 field men and their wives are expected.

The program will feature introduction of new sales materials, a discussion of the market for life insurance in 1948, prospecting, conservation, a new training program, and an analysis of Minnesota Mutual's policy contracts.

Harold J. Cummings, president, will head the home office staff participating in the program. Alan D. Harmer, director of agencies; J. W. Gladders, superintendent of agencies; Arthur W. Theiss, director of publicity and advertising, and Assistant Superintendents of Agencies Dohl Lucas and W. J. Hadlich will accompany Mr. Cummings.

Stage Advanced Seminar

Fifty of the leading agents in the eight Northwestern Mutual general agencies in Michigan and Indiana attended a regional advanced underwriting seminar at St. Joseph, Mich. Laffin C. Jones, assistant director of agencies, directed the session with the assistance of W. B. Minehan, executive assistant at the home office, and Paul F. Millett of Chicago, tax attorney, with John H. Overbeck, Jr., one of his associates.

The new 1948 revenue act was a fea-

ured topic. Messrs. Millett and Overbeck took a day and a half for an intensive analysis of the effects of the new tax law on wills, trusts and business insurance agreements.

Agencies were those of W. Roy Bryant, Kalamazoo; J. Rex DeHaas, Marquette; C. R. Eckert, Detroit; Bruce W. Gilmore, Grand Rapids; Gain M. Stinson, Flint; H. L. Cramer, South Bend; E. A. Crane, Indianapolis, and B. A. Million, Evansville.

A series of such seminars is being scheduled in various parts of the country.

State Farm Has Neb. Rally

LINCOLN, NEB.—Awards for outstanding service in 1947 were made to 75 Nebraska agents of the State Farm companies of Bloomington at a two-day state convention here. G. J. Mecherle, chairman, was chief speaker at the banquet and presented 60 service pins to agents, including 34 who have been with the company 20 years. Don Ross, merchandising manager "Successful Farming," Des Moines, spoke on "Our Market for Life Insurance."

High auto salesman for 1947 was Julius Ludlam, Lincoln. Josiah O'Rourke, Gering, led in life insurance, and Edward Nielsen, Cozad, in fire in-

N. Y. Life Wichita Rally

New York Life held an educational conference at Wichita, attended by Walter Weissinger, assistant vice-president, and Henry Held, research consultant, from the home office, and O. R. Carter, St. Louis, superintendent of agencies. H. W. Schwenke, Wichita manager, and Joe Ledgerwood, assistant manager, were in charge.

Ohio State Holds School

Under the direction of Warren F. Howe, superintendent of agencies, Ohio State Life held at Columbus a school of instruction in training new agents. Ben Holmin, Swedish insurance executive, who is in this country studying life companies' methods and procedures, was a guest.

Plan Midwest Roundup

Fifty men and 30 women are expected to attend the anniversary roundup of Midwest Life at Lincoln May 10-11. A complete new set of accident, health and hospitalization policies with more liberal benefits will be presented by Vice-president H. C. Henderson.

Ohio State's Rally June 29-July 1

The annual agency convention of Ohio State Life will be June 29-July 1 near Gravenhurst, Can. It is estimated that 150 representatives will qualify.

Buys \$15 Million Issue

Houston Lighting & Power has concluded arrangements to sell to a group of five life companies \$15 million of 3% first mortgage bonds. Companies are New York Life, \$9,500,000; Mutual Life and Penn Mutual, \$2 million each; Provident Mutual, \$1 million, and American National, \$500,000.

Honor N. W. Mutual Veterans

Northwestern Mutual Life was host to members of its Quarter Century Club at the annual dinner meeting at Milwaukee. President Edmund Fitzgerald presented service pins to 27 new members of the club, which now has 312 members. J. E. Birkhauser, company treasurer, with a 54-year service record, was toastmaster.

Jack Wardlaw, Provident Mutual, Raleigh, N. C., has qualified for the 1948 Million Dollar Round Table. This is his second year of qualification. Before entering the insurance business in 1941 Mr. Wardlaw was an orchestra leader.

MANAGERS

Terse Rules for Selecting Agents Told by Lindberg

Application of aptitude tests was discussed at a meeting of San Antonio Life Managers Assn. by Arthur Lindberg, New York Life, agency manager. He stressed the personal judgment factor in the tests, saying a prospective agent may make a perfect score on the aptitude test and yet fail in actual selling.

Mr. Lindberg told of a man who loved to sell but made a low score on the aptitude test. By aiding this man to secure a passing grade on the test Mr. Lindberg secured a man who in his second year in the business paid for more than \$1 million and is going ahead of that in his third year. The vital element is the urge to sell, which may come from various motives. Mr. Lindberg mentioned desire to make money and conviction that selling life insurance is rendering a most important service.

Prefers Combination of Factors

The most effective life agent is he in whom there is a combination of the three elements, Mr. Lindberg said. Unless a man has this urge to sell he will not succeed as a life salesman even though his aptitude score may be perfect, Mr. Lindberg argued.

Selection is the basis of success in agency management, he said. Selection should be based on the prospect's willingness to obey instructions and work. When he decides to give a man serious consideration, Mr. Lindberg asks that the man go out and contact 20 people, asking five questions: (1) Do you know the New York Life? (2) Why did you buy the last insurance you bought? (3) Through whom did you buy? (4) Are you through buying life insurance? (5) If you were to buy another life insurance policy which kind of policy would you buy?

Discloses Man's Ability

The prospective agent's report enables him to determine which class or type of prospects the man would contact, his ability to obtain information and to prospect, his valuation of time, and his willingness to follow instructions.

Mr. Lindberg is not interested in employing "stumblebums" who will discredit the company and the life insurance institution. He also is not interested in men who cannot finance them-

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

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Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
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- ADVANCED TRAINING
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- MODIFIED FORMS
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Attractive Compensation Plan

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- OFFICE ALLOWANCE
- ORGANIZATION ALLOWANCE
- PERSISTENCY BONUS

Write

HARRY S. McCONACHIE
Vice-President

American Mutual life

INSURANCE COMPANY
DES MOINES, IOWA

selves in initial stages, but when a man has given reasonable proof of his ability a financing plan is made available.

To Hold Area Managerial Rally at Cleveland May 6

The general agents' and managers' area conference for Ohio, Kentucky, Tennessee and West Virginia to be held May 6 at Hotel Hollenden in Cleveland, will have as its theme "What's New in Management." James M. Royer, Penn Mutual, Chicago, will talk on personnel selection. Daniel P. Cahill, director at Purdue, will talk on training, as will E. L. G. Zalinski, managing director of Life Underwriters Training Council. Judd C. Benson, Union Central, Cincinnati, secretary of N.A.L.U., will talk on morale and motivation. There will be a panel discussion with Stanton G. Hale, superintendent of agencies of Mutual Life, as moderator.

That evening there will be a cocktail party and dinner. The speaker will be A. Gordon Nairn, executive vice-president of Life Underwriters Assn. of Canada.

B. A. Hedges, Business Men's Assurance, Wichita, will preside at the morning session and W. Thomas Craig, Aetna Life, Cincinnati, will preside in the afternoon. F. N. Winkler, Mutual Benefit Life, Cleveland, is area conference chairman.

NSLI Talk at Los Angeles

Robert M. McCurdy, Pasadena, vice-chairman of the American Legion rehabilitation commission, spoke before Life Insurance Managers Assn. of Los Angeles on "Trends in Veteran Legislation Affecting Insurance." He mentioned a number of changes that have been made regarding NSLI, and said the American Legion thinks it is the best life insurance in the country. He declared that the American Legion program on insurance before Congress is a fair one and based on scientific facts.

Preview New Film

Wichita General Agents & Managers Assn. at its April meeting previewed the new sound movie film, "Sharing Economic Risks," and voted to purchase a copy of the film to deposit with the center for audio-visual education of the Wichita public schools, where it will be available for use by any group or organization in the city. Clifford D. Miller, coordinator of the center, presented the film.

Pittsburgh Cashiers Meet

Hugh Kemp, vice-president People's First National Bank & Trust of Pittsburgh, addressed the Pittsburgh Life Agency Cashiers Assn. luncheon meeting on the insurance effects of the new federal tax law.

Wilson Debates Financing

SEATTLE — Jack Wilson, general agent of Mutual Benefit, discussed "The Influence of Supervision and Training on Financing the Agent" at a luncheon meeting Monday of the Life Managers Assn. For the last two years he has been in charge of field personnel in Mutual Benefit's home office and director of the management training program.

Rueling at Milwaukee

Clarence Rueling, general agent Massachusetts Mutual at Peoria, Ill., spoke at the April dinner meeting of Milwaukee Life Managers & General Agents Assn.

Sick at Wichita Meeting

T. A. Sick, president of Security Mutual Life, Lincoln, Neb., attended a meeting of the F. Robert Hawk agency at Wichita. The wives and office staff were guests at a luncheon. Mr. Sick announced that the Hawk agency is leading in volume of new business for 1948.

Shanks, Day Talk at Minn. Congress

MINNEAPOLIS—With 1,100 registration, the annual sales congress Saturday of the Minnesota Assn. of Life Underwriters was the largest life insurance gathering ever reported in Minnesota.

At luncheon, Orris Johnson, president, received the "Star-Tribune" award for outstanding leadership among Minnesota men in the year, in the form of a golden lapel key and framed citation by C. R. Corbin, assistant executive editor of the newspaper.

Gov. Youngdahl in a luncheon address doubled with vocal selections and Commissioner Harris spoke briefly.

Prudential President's Views

Over-the-counter insurance was criticized by Carol M. Shanks, president Prudential, in the morning session. "The agency system, with personal service rendered to each client, is a vital part of free enterprise," he said. Government insurance and over-the-counter insurance do not provide the careful planning necessary to fit insurance to the individual financial setup of each client, he said.

While the agency system may be more expensive, unit cost of insurance can be lowered by raising the professional skills of agents. The public must be made more conscious of the value of services of the agent, he said, and agents themselves must think in terms of service, not commissions.

Agents were warned not to be too cocky merely because they have had a few lush years, by Newell C. Day, general agent Equitable of Iowa, Davenport. "Let's do a better job than we have been doing," he said. "We must get more imbued with the things that life insurance does."

Study Increases Earnings

From a background of 28 years in the business, he stressed that continued study of one's own business will add 30% to his earnings. He said the public prestige of life insurance is higher today than ever before and the expanding life insurance market proves that in these times of readjustment the security of life insurance is looked upon as the most vital asset that could be included in an estate.

Other speakers were John H. Jamison of Jamison & Phelps, general agents for Northwestern Mutual Life at Chicago, and Keith S. Smith, assistant general agent of John Hancock at Kan-kakee, Ill.

It was announced the annual meeting of the state association will be held at Mankato June 18.

Program Given for Ohio Assn. Annual Meeting

The Ohio Life Underwriters Assn. at its annual convention at Hotel Hollenden, Cleveland, May 7-8, will start off at 10 a. m. with a play entitled, "One Typical Day," based on alleged happenings at the "Nitelife Mutual." W. Robert Moore, Provident Mutual, Decatur, Ill., will talk on the methods which enabled him to write 75 lives for more than \$1 million in 1947. There will be no luncheon speaker. In the afternoon speakers will be Russell H. Moore, Mutual Benefit, Lansing, who has more than 600 weeks of consecutive weekly production and will demonstrate his telephone appointment technique which gets him three out of every five phone calls; W. W. Hartshorn, superintendent of agencies Metropolitan Life, and President Jul B. Baumann of the National association.

That evening there will be company dinners. At 9 p. m. the president's ball and reception in honor of L. H. Feder,

manager Reliance Life, Cleveland, president of the Ohio association, will take place.

The following day's activities will start off with the C.L.U. breakfast, the speaker being Leonard Mayo on the subject, "Every Relation is a Public Relation." Dr. Mayo is head of the development program of Western Reserve University. Simultaneously there will be a breakfast of the Ohio Leaders organization which is open to national quality award qualifiers and quarter million dollar producers.

Mr. Feder will preside at the first general session. A business meeting and election of officers will be followed by a luncheon to be addressed by Louis B. Seltzer, editor-in-chief Cleveland "Press."

Program Outlined for Pa. Assn. Three-Day Meeting

The Pennsylvania Life Underwriters Assn., annual convention at Americus hotel, Allentown, Pa., will open the morning of May 20. The executive committee will meet the day before. W. P. Emerick, New England Mutual, Johnstown, will preside at the first general convention session. Prof. S. S. Huebner, University of Pennsylvania, president of the American College, will

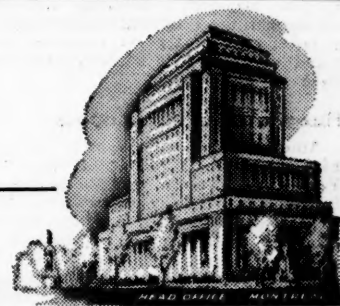
be the principal speaker at a luncheon sponsored by the Pennsylvania C.L.U. It will be open to all. In the afternoon the delegates will meet again and at 4 p.m. the annual election of officers of Pennsylvania Leaders Round Table will take place. Karl H. Kreder, vice-president Metropolitan Life, will address a dinner meeting of the Leaders Round Table.

On May 21 the annual sales seminar will have as speakers W. F. Lynch, superintendent of agencies, Prudential; E. L. Sittler, Jr., Mutual Life, Uniontown, Pa., who is mayor there; E. N. Polisher, Philadelphia lawyer and tax expert; Wilfrid E. Jones, editor of "Life Association News," and Paul Speicher, Insurance R. & R.

Banquet, Reception and Ball

The final delegate session will immediately follow the seminar program and officers will be elected. A speaker of national prominence will address the banquet that evening, following which there will be the president's reception and ball.

The following day the managers and supervisors will hold their annual conference, speakers being Hubert Davis, production manager Union Central, New York City; E. J. Moorhead, actuary L.I.A.M.A., and Robert L. White, assistant director Purdue course, who will speak at luncheon. The afternoon session will be devoted to a panel on selecting the new agent, conducted by John



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ATLANTA	HONOLULU, T.H.	PEORIA
BALTIMORE	INDIANAPOLIS	PHILADELPHIA
BOSTON	JACKSONVILLE	PITTSBURGH
CANTON	KANSAS CITY	PORTLAND, ME.
CHICAGO	LANSING	PORTLAND, ORE.
CINCINNATI	LOS ANGELES	PROVIDENCE
CLEVELAND	LOUISVILLE	RICHMOND
COLUMBUS	MEMPHIS	SAN FRANCISCO
DAVENPORT	MINNEAPOLIS	SEATTLE
DENVER	NASHVILLE	SPOKANE
DETROIT	NEW HAVEN	ST. LOUIS
GRAND RAPIDS	NEW ORLEANS	WASHINGTON, D.C.
GREENSBORO	NEWARK	WILMINGTON

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LUTHERAN MUTUAL LIFE INSURANCE COMPANY

Waverly, Iowa

H. Evans, manager Home Life of New York, New York City; and C. W. O'Donnell, Guardian Life, Washington, D. C. Richard E. Pille, director of agencies Mutual-Benefit Life, will close the conference with a summary of the day's discussion. A registration of more than 1,000 is expected.

Speakers for Utah Congress

Speakers at the Utah Life Underwriters Assn. sales congress at the Hotel Utah, Salt Lake City, May 8, will include H. S. McConachie, vice-president and director of agencies of American Mutual of Iowa; William R. Davis III, director of agencies ordinary department Commonwealth Life; Gov. Maw of Utah, who will speak at a luncheon on the agent's part in building Utah, and Reed W. Brinton, Salt Lake City, president of New York Life's Top Club. Officers will be elected at the business meeting immediately following luncheon.

Round Table Dinner May 14

San Francisco Quarter Million Round Table will hold its spring meeting and dinner May 14. Frank Marsh, executive vice-president of San Francisco Bay Area Council, will speak.

Mo. and Kan. Meetings

The Kansas City Life Underwriters Assn. annual sales congress will be May 1. The Missouri association will hold its annual meeting and sales congress at Jefferson City May 14, the same dates that the Kansas Life Underwriters Assn. meets at Hutchinson.

Fluegelman at Indianapolis

Among the pointers which David B. Fluegelman, Northwestern Mutual, New York City, gave in his talk before the Indianapolis Life Underwriters Assn. were these: sell lives and volume will take care of itself; ability to pay is the most important single qualification for a prospective client; the right approach with a suggestion that interests the prospect vitally can make the sale in the first few minutes; use emotional appeal at the right time to get action; make luncheon engagements with clients as often as possible but never talk life insurance on social occasions; cultivate attorneys, accountants, and trust officers as good centers of influence, for the agent gets more prestige by advising these advisers than going directly to the client; if the agent will learn to value the satisfaction of doing the best possible job in every case he will soon have no need to worry about how much money he makes on any one case.

Springfield, Ill.—John P. Weaver of Country Life spoke on the need for the agent to believe personally that life insurance is the only solution for a man with dependents before he can ever hope to get his prospects to believe in it.

Joliet, Ill.—Julius Bogatz of the Kenwood district of John Hancock at Chicago addressed a luncheon meeting on "Opportunities for the Man Today and What He Should Do About Them."

St. Joseph, Mo.—Superintendent Jackson of Missouri spoke on the work of

the department and mentioned the great variety of information that the well-informed agent must have, such as on wills, income and estate taxes, estate planning, commercial law, etc.

Kansas City—John H. McEvers, tax lawyer of Kansas City, spoke on the effect of the new federal tax law.

Lincoln, Neb.—Use of motion pictures in selling life insurance was demonstrated by W. K. Niemann, Des Moines manager of Bankers Life of Iowa.

He said the use of motion pictures will increase three-fold the average application for life insurance. He also discussed use of slides he originated.

Oakland - East Bay—S. V. Mitchell spoke on prospecting and selling. Fred McMaster spoke on being helpful to others. They were exchange speakers of the southern California caravan, Los Angeles.

Richmond—At the April meeting Charles E. Brewer of Charlotte, N. C., spoke on "Silence in Selling."

Logansport, Ind.—George W. Wolf, educational director of Lafayette Life, spoke on "The Life Underwriter's Position in This Modern Age."

Green Bay Wis.—Albert D. Meyer, Old Line Life, Shawano, was elected president of Northeastern Wisconsin association, succeeding George Blumel. T. P. Blaney is vice-president; Glen Macauley, secretary, Ray Paque, treasurer, and Harold Fossum, national committeeman.

Janesville, Wis.—Ferris Hitchcock, Prudential, Beloit, was elected president of Southern Wisconsin association at the annual dinner meeting. Earl Rice is vice-president; William Goers, secretary, and R. L. Joiner, national committeeman. Frank C. Hughes, Milwaukee, general agent Mutual Benefit Life, discussed taxation and life insurance.

Sheboygan, Wis.—Roman Wagner, Bankers Life of Iowa, has been elected president, succeeding Clarence Klessig. Walter Ebert was named as vice-president; Victor Graef, secretary.

Changes in the federal revenue act and their effect on estate and business plans were discussed by William H. Pryor, Connecticut Mutual, Milwaukee, president Wisconsin association.

FRATERNALS

Erna Barthel Is Taken by Death

Miss Erna M. Barthel, retired supreme recorder of Royal Neighbors, Rock Island, Ill., died in Moline public hospital at the age of 63, after a severe illness of several weeks. She had retired from Royal Neighbors a few months ago because of ill health. Miss Barthel was connected with the society as recorder for 22 years, and had been in the business for about 45 years. She had resided in Rock Island 55 years.

She started with Royal Neighbors in 1908 as a stenographer, became chief of the general correspondence and stenographic department in 1911; from 1915 to 1921 was secretary and assistant to the recorder and then was named deputy supreme recorder.

Miss Barthel was a graduate of Augustana College, Rock Island, and prior to joining Royal Neighbors was in general secretarial and abstract of title work in a Rock Island law office.

Active in N.F.C.

She was born in Davenport Jan. 22, 1885. Miss Barthel was past president of the National Fraternal Congress secretaries' section in 1937-1938, after having been the section's secretary-treasurer for a number of years. She was very highly regarded in Rock Island, where her death was the occasion for long newspaper articles and editorials. She



Erna Barthel

had much to do with building the integrity and sound financial condition of Royal Neighbors.

Supreme officers headed by Mrs. Grace W. McCurdy, president, attended the services and the eulogy was read by Mrs. Frances L. Torkelson of Lincoln, Neb., member supreme board of managers. Leaders of many other fraternal societies attended and paid tribute.

Montague Head of Md.-D. C. Congress

The Maryland & District of Columbia Fraternal Congress in its two-day annual meeting at Baltimore elected these officers: President, Hill Montague, head of Mutual Life, Richmond; first vice-president, Mrs. Blanche McDorman, Ben Hur; second vice-president, Ralph C. Dare, Artisans Order; secretary-treasurer, Mrs. E. Olive Eckert, Protected Home Circle.

Directors named are: Mrs. Rose Thomas, Woman's Benefit; C. H. Hickey, Maccabees; Mrs. Elizabeth Danaher, Catholic Women's Benevolent Legion; C. D. Grant, Junior Order United American Mechanics, and T. M. Dempsey, Protected Home Circle. J. J. Nugent, Independent Order of Foresters, was named publicity director.

A. O. Benz, president of Aid Assn. for Lutherans; C. D. Grant and George Shelley, Maccabees, gave addresses. The congress adopted a resolution urging all members to employ their right of voting at every opportunity in order to preserve democratic government, and also a resolution pledging cooperation in the heart and cancer drives. Mrs. Margaret Wilbourn, Standard Life, presided as retiring president.

Commissioner Hanley Talks

Commissioner Hanley of Maryland gave the principal address at the banquet, which was followed by a dance.

The state managers and field workers section held a meeting the first day with C. Hickey of Maccabees presiding, conducting panels on current questions, and the past presidents' association held a dinner and social gathering.

Malone Modifies Pa. Rule Affecting Fraternal

Commissioner Malone of Pennsylvania has eased his department's regulations affecting fraternal societies upon a showing that one provision would work a hardship on societies operating in several states and might require them to prepare special certificates and related forms for use in Philadelphia.

The provision in question is the fifth regulation on-page 12 of his regulations dated April 1, which requires setting forth in the certificate that it is executed by a fraternal society. Under the modified regulation, the department will accept as a certificate provision or endorsement either on the first page or filing back in less than 10 point type, the following statement:

"This is a certificate of a fraternal benefit society subject to the provisions of the Fraternal Benefit Societies Act of July 17th, 1935 (P.L. 1092) as amended, and only such general insurance acts as specifically include Fraternal Benefit Societies within their provisions."

Speaks at Arbor Day Fete

NEBRASKA CITY, NEB.—Dr. H. B. Kennedy, medical director Woodmen

of the World Life, was principal speaker at a gathering here in observance of the 76th anniversary of Arbor Day, April 22. The day originated here. A 12 foot flag was presented by Elm Camp 29 of W.O.W.

Dr. Michael A. Cunningham, 84, associate supreme medical examiner of Equitable Reserve, Neenah, Wis., died at his home in Janesville after a brief illness. He was the oldest physician and surgeon in that city, having practiced for 52 years.

At the Wisconsin State Medical Society convention recently he became a member of the "Fifty Year Club." Dr. Cunningham was graduated from Rush Medical College, Chicago, in 1896 and located in Janesville. He joined Janesville assembly of Equitable Reserve as a charter member in 1901, and Fraternal Reserve in 1904. Following the death in 1927 of Dr. Frank Brockway of Fraternal Reserve, Dr. Cunningham was appointed his successor as supreme medical examiner, and in 1930 with merger of Fraternal Reserve and Equitable Fraternal Union under the present title he was elected associate medical examiner.

He was a past president of the Ancient Order of Hibernians.

RECORDS

BANKERS OF IOWA—Paid-for in March totaled \$12,394,274, of which \$11,702,274 was ordinary, the latter representing an increase of more than \$910,000.

PROVIDENT MUTUAL—Showed a gain of \$18,489,000 insurance in force during the first quarter. New insurance amounted to \$32,417,000, a gain of 5.7%. Net voluntary terminations were \$7,957,000, up \$2,443,000.

OHIO STATE LIFE—Paid-for production in the first quarter was \$6,753,321, up \$900,000.

AMERICAN HOSPITAL & LIFE—March, McCreless month, showed the largest paid volume of life insurance in its history, exceeding the best previous month by 20%.

NEW YORK

GORDON BROOKLYN SPEAKER

George B. Gordon, director of advanced training Mutual Benefit Life, addressed a luncheon meeting of the Brooklyn Life Managers Assn. on highlights of the 1948 revenue act and its application to the sale of life insurance. He said that there are many ambiguities which he hoped in a short period of time would be clarified. Lewis E. Weingarten, Fidelity Mutual, association president, presided. Bernard M. Eiber, Mutual Trust Life, program chairman, introduced the speaker.

HEAR DIABETES DISCUSSION

The Lay Society of the New York Diabetic Assn. at its April 21 meeting heard a discussion on the insurability of diabetics by Jack Smith, insurance consultant. After Mr. Roach had talked, Sam Rosan, general agent Continental Assurance, answered questions from the audience.

Edward S. Churchill, special agency assistant of the Hartford agency of Northwestern Mutual, has been qualified for the Million Dollar Round Table for the second successive year.

PROTECTED HOME CIRCLE

SHARON, PA.

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A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary
SHARON, PA.

ROYAL LEAGUE

Chicago, Ill.

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Operates Tuberculosis Sanatorium at Black Mountain, N. C.

Service free to members.

Service at special rates also available to members of other societies.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller, President Frances D. Partridge, Supreme Secretary

Fort Huron, Michigan

"Untaxit" Is New Life Insurance Use Bred by '48 Tax Law

The new tax law is stimulating the imagination of inventive estate planners to devise new uses for life insurance and one such new application has already got a name for itself, that being "untaxit." There is a certain delicacy required in broaching the matter to prospects and here the talents of women agents are perhaps best suited for the occasion.

"Untaxit" provides for the wife to become insured with her husband as beneficiary. The purpose is to compensate the husband for the loss of the income-splitting that he would suffer in the event of the wife's death. The delicacy of the approach comes in conveying to the wife the hint that this might very well persuade the husband to remain single should she be so unfortunate as to die, rather than being tempted into contracting an income-tax marriage.

Conn. General Modifies Its Juvenile Issue in N. Y.

Connecticut General now is writing return premium to age 5 and return of premium to age 10 in New York only for ages 0 to 4 inclusive. Twenty payment Life and 20 year endowment are written on both the guaranteed cost and participating plans. Insurance income and endowment at age 18 are written on the participating basis. Premiums are:

Ages	0	1	2	3	4
Guaranteed Cost	\$	\$	\$	\$	\$
Ret. to Age 5					
20 Pay. Life	18.35	18.68	19.04	19.42	19.80
20 Yr. End.	46.23	46.26	46.32	46.39	46.41
Ret. to Age 10					
20 Pay. Life	17.95	18.26	18.60	18.95	19.31
20 Yr. End.	46.94	46.93	46.96	46.99	46.93
Participating					
Ret. to Age 5					
20 Pay. Life	22.04	22.45	22.89	23.35	23.83
20 Yr. End.	48.77	48.84	48.95	49.07	49.20
End. 18	54.25	57.73	61.95	66.78	72.01
Ins. Inc. 55(M)	25.20	26.91	26.67	27.47	28.30
Ins. Inc. 55(F)	27.37	28.16	28.99	29.86	30.78
Ret. to Age 10					
20 Pay. Life	21.44	21.82	22.23	22.66	23.10
20 Yr. End.	48.35	48.36	48.42	48.48	48.56
End. 18	53.83	57.26	61.40	66.14	71.26
Ins. Inc. 55(M)	24.91	26.60	26.34	27.11	27.92
Ins. Inc. 55(F)	27.09	27.85	28.66	29.51	30.41

Settlement Situations That Need Liberalizing

(CONTINUED FROM PAGE 6)

will the company grant her a power to commute future installment or annuity payments and receive the commuted value in one sum?

5. Will the company allow the surviving spouse pursuant to a power to appoint to name substitute payees of installment of annuity payments, effective during her life time or only at her death? Or will the substituted payee be forced to take the commuted value?

Where the beneficiary is given the power to commute there is no problem as insured frequently give this right to beneficiaries.

Mr. Clark gave a number of typical situations in which the estate tax marital deduction would be applicable. These were reported in last week's issue in connection with his talk before the H. G. Swanson agency of New England Mutual Life in Chicago. Mr. Clark also said that agents should not disturb existing insurance settlements except after an over-all survey of the client's entire estate in connection with the client's lawyer. This means a thorough comprehensive intelligent and highly professional estate planning approach, he said, careful attention being given not only to the insurance programs created for the wife and children but for the liquidation of taxes and other estate obligations and particularly insurance settlements to third party beneficiaries under stock and partnership purchase agreements.

As to insurance sales opportunities, Mr. Clark said that agents have a substantial business and a professional rea-

son to see their clients and prospects, there is more spendable income to purchase insurance and the marital deduction enables one to double his estate without increasing the estate tax applicable under the old law, while a substantial increase in one's estate is more readily accomplished through life insurance than through any other form of property.

Mr. Clark said the effect of the American deduction on the surviving spouse's taxable estate must always be weighed. He said there is the same need of insurance for estate liquidity in the husband's estate as under the old law, since the marital deduction may be lost through his wife's predeceasing him and his failure to remarry.

There is also a new need for insurance on the wife's life where utilization of the marital deduction may produce for her a taxable estate, Mr. Clark pointed out. As to gift tax, he mentioned that the marital deduction makes gifts to the children more attractive. If both spouses elect to treat such gifts as joint ones, the husband could give each child \$6,000 a year tax free and these gifts could be made in the form of insurance on the child's life.

N.A.I.C. Life Committee Hears Group Suggestions

(CONTINUED FROM PAGE 6)

that any restrictions as to number of lives or amount of certificates placed in the definition, but if the commissioners felt that it was desirable to do so he felt there should be at least five lives in a trade association group, excluding the individual partners and proprietors who are not active in the business. He said his company took no stand on the \$5,000 limit one way or another but possibly it would be desirable for the business to limit certificates to not over \$5,000 non-medical, with excess subject to medical examination.

On the matter of conversion privilege following master contract termination, it was pointed out by another spokesman in the industry that very little group insurance ever lapses. He felt perhaps that this was so because there had not been sharp restriction of the conversion privilege. Most of the company men present seemed to feel that McCormack's principle of a variable amount of conversion introduced complications that might seriously affect group insurance. Another factor pointed out was that lowering the privilege to \$1,000 convertible in one year would force other certificate holders to foot the bill on such conversions because there would not be sufficient time to build up a contingency reserve on such a certificate.

Commissioner Allyn of Connecticut, the chairman, presided, and the other members of the committee attending were Parkinson of Illinois, Dineen of New York, Shield of Ohio and Stone of Nebraska.

U. S. C. of C. Prepares Statement

WASHINGTON—Many recommendations for changes in the revenue laws that directly concern the insurance industry, particularly the life branch, are contained in a 57-page statement presented by the U. S. Chamber of Commerce committee on federal finance to the House ways and means committee, which is considering general tax revision legislation. While this statement is not available as yet, the chamber said it deals with income from life insurance companies, income from annuities, income from proceeds of life insurance paid in installments, estate tax, powers of appointment, income of surviving partners and estates of beneficiaries of deceased partners, pension trusts, and many other matters.

Dr. E. W. Beasley has been named vice-president and medical director of Supreme Liberty Life to succeed the late Dr. M. O. Bousfield. E. B. Dickerson, who has been a director, has been named a vice-president.

Effect of Tax Law on Estates

(CONTINUED FROM PAGE 9)

ments to go to her estate upon her death or payable to the surviving spouse for her life with no refund of the undistributed proceeds or with such a refund to her estate.

The point is this, if nobody under any circumstances can have any interest except the wife and the wife's estate, then we are able to get the marital deduction even if it is payable over a term of years.

Joint and Survivor Annuity

9. Brown during his lifetime purchased an annuity contract under which an annuity was payable to him during his life and then to his spouse during her life if she survived him. That is the typical joint and survivor annuity. The value of the interest to Brown's wife in such a contract at the death of Brown is included in determining the value of his gross estate. However, a marital deduction is allowed with respect to the value of such interest so passing to Brown's wife inasmuch as no other person has an interest in the contract.

If upon the death of Brown's wife, the annuity payments were to continue for a term to her estate or the undistributed portion thereof was to be paid to her estate, the deduction would nevertheless be allowable with respect to such entire interest. If, however, upon the death of Brown's wife the payments were continued to another person or the undistributed refund was to be paid to such other person, then the marital deduction would not be allowed inasmuch as an interest passed from the decedent to such other person. You probably have quite a few annuities written to provide that if husband and wife both die before the payments certain are made, it will go to the children. That would disallow the marital deduction upon the death of the husband.

Tenants in Common

10. Brown by his last will devises Blackacre to his wife and son as tenants in common. The marital deduction is allowed. Now tenants in common means each one has a half interest in the property and if one dies his half interest goes to his estate. In the case of joint tenancy, each also has a half interest but if one dies the entire property goes to the survivor. Even though an interest passes to someone other than Brown's surviving spouse, the interest which does pass to her is not terminable and therefore the marital deduction is not defeated.

On the other hand, if Brown had devised Blackacre to his wife and son as joint tenants, the marital deduction would not have been allowed, the reason being that an interest would have passed to somebody else which may be enjoyed by the other person after the death of Brown's wife.

(The remainder of Mr. Overbeck's talk will appear in next week's issue.)

Youngblood, Ex-VA Man, Joins L.I.A.M.A. Staff

Lewis F. Youngblood, formerly assistant director of medical personnel service in the veterans administration at Washington, has joined L.I.A.M.A. as a consultant in the company relations division. He was with Life of Virginia for six years as an agent in Richmond, and as assistant district manager at Birmingham before joining the army in 1942. During his four years of army service he specialized in civilian personnel work and holds a training-within-industry instructor's certificate. He was discharged in 1946 as a captain and shortly afterward joined VA. Mr. Youngblood's work at L.I.A.M.A. will include teaching at the agency management schools and acting as consultant to

member combination companies. A native of Virginia, he attended the University of Richmond and University of California.

Seminar at Peoria, Ill.

An estate planning seminar will be conducted by the Peoria C.L.U. chapter May 14 at Hotel Pere Marquette for life men, trust officers and attorneys of central Illinois. This will be an all-day affair starting at 10 a.m. with a discussion of the 1948 tax law which is expected to occupy the rest of the morning; and following luncheon an afternoon session in which an actual case history of a \$250,000 estate will be presented showing progress of the case through various stages of estate planning. A question-and-answer session will conclude the program.

Robert R. Girk, attorney, will speak and have charge of all sessions. He is associated with Milton Elrod, Jr., in practicing law at Indianapolis and much work of the firm is in the field of estate planning. Mr. Girk is a lecturer at the Purdue University life insurance marketing course and University of Kansas short course.

Chester T. Wardwell, Connecticut Mutual general agent, is general chairman, and W. Dewese Johnson, Massachusetts Mutual, chapter president, will preside. The fee for this seminar is \$5.

Traces Insurance Mission

Hyde Perce, Jr., insurance editor of the Chicago Journal of Commerce, told the group supervisors section of the Chicago Assn. of Life Underwriters that there are still millions of people in this country who are in a financially marginal category who must be helped toward security by the life insurance industry or fall under the sway of communists and socialists. Mr. Perce declared that the size of the life insurance industry renders it a potent force in increasing security standards and taking away the thunder of the labor leaders. He said that this same size makes the industry open to criticism and suggested that each insurance representative find out for himself where in his community life insurance companies have investments. This way he can bring home to his prospects and customers the fact that life insurance is making a tremendous contribution to Americans in every walk of life.

Statistical Assn. Reaches 372

With the addition of seven new companies to membership, Insurance Accounting & Statistical Assn. has reached a high of 372 companies. Recently admitted were Mutual Life, Bankers Union Life, State Mutual Life, Employers Reinsurance, Agricultural, Union Life of Virginia and Peoples Life of D. C. The annual meeting is to be held in Cleveland May 19-21.

Will Meet at Cleveland

Columbus Mutual Life will hold its annual convention at Cleveland Sept. 8-10. About one-third of its business is on the lives of residents of Cuyahoga county.

Dewey R. Mason, general agent at Riverside of Occidental Life and well known throughout the country, was severely injured in an automobile accident near Riverside. He is confined to Riverside Community Hospital in a traction device that immobilizes him. He sustained head bruises as well as dislocation and fractures of several vertebra and will require several weeks of convalescence, although complete recovery is expected.

G. Archie Holland, San Antonio, general agent of Connecticut Mutual Life, is the father of a daughter.

Sterling of Chicago has been licensed in the District of Columbia to write life and disability insurance.

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Stress Training Techniques at N. Y. Managers' Forum

(CONTINUED FROM PAGE 1)

markets. The agent reports on the interviews he has had with people who are well and favorably known to him and Mr. Hays likes to get the agent's reaction after six or eight such calls after he has told the people he is going into the life insurance business.

Stress Joint Field Work

Joint field work is the heart of training and the practice of demonstration, observation and correction by a supervisor who goes out on a case, is extremely valuable, Mr. Hays said, adding that he would rather have one of his agents lose a sale and learn from it than have the supervisor going along with him, jump in during the interview and make the sale. An early sale by the new agent, however, preferably by the second week, is essential.

Lewis W. S. Chapman, director of company relations, L.I.A.M.A., summarized the talks and reviewed the progress of L.I.A.M.A. in recent years.

For the first time in some years there are indications that life insurance marketing may become more difficult, said Charles J. Zimmerman, assistant managing director of L.I.A.M.A. He predicted that there will be better supervision, more efficient agency operation and that another trend is toward salary plans for the compensation of agents.

At the luncheon meeting, executive committeemen were elected. Members are: Mr. Evans, E. A. Farrington, Provident Mutual, Philadelphia; Harold Smyth, National Life of Vermont, Hartford; Hilliard Rentner, Berkshire Life, New York City; Gerald H. Young, State Mutual, New York City; E. B. Eichen-green, Prudential, Bronx; J. Bruce MacWhinney, John Hancock, Newark; Sumner Davis, home office, Provident Mutual; and Willard L. Momsen, Northwestern Mutual, Boston.

Tenn. Traveling Sales Congress Presented to 850

With four speakers appearing in the four major cities of the state, Tennessee Life Underwriters Assn. presented its annual traveling sales congress to about 850 in Knoxville, Chattanooga, Nashville and Memphis.

The speakers were Hilbert Rust, vice-president of R. & R.; C. E. Fritsche, director of agents' training General American Life; Arthur Priebe, Penn Mutual, Rockford, Ill., and Herbert Hill, N.A.L.U. trustee and manager of Life of Virginia at Richmond. The luncheon speaker at Knoxville and Nashville was W. V. Walker, vice-president Life & Casualty.

Explains Tax Law Changes

Mr. Rust said the added income provided by the new tax law offers an unusual opportunity to help millions of men and women move toward completion of their financial programs. He said the new marital estate tax deduction and the new gift tax principles are of great importance to men and women of means and it is the agent's obligation to give such men and women full information on how the new affects their insurance and estate plans. But it is equally an obligation to use caution in suggesting changes in well-formulated programs. Such changes should be made only after thoughtful study, he warned.

Discussing business insurance, he said the primary obligation of the agent is to uncover the need for business insurance and then to sell the need for a business insurance agreement. The legal and trust work should be left to the prospect's attorney and trust adviser. If this is done, business insurance will no longer be regarded as a field too complex for the average well-informed agent, he said.

Mr. Hill gave a one-interview package

Two Major Snags in New Tax Law Cited

(CONTINUED FROM PAGE 1)

pared statement, Mr. Huber pointed out that some informal rulings have been issued indicating possible clarification of ambiguities but whether such rulings are justified by the statute is doubtful. He quoted the following: "Marital deduction permitted under section 812 (e) (1) (G) of code where an insurance policy on decedent's life is payable to the surviving spouse in fixed annual installments for 20 years certain and life thereafter with absolute right in surviving spouse to withdraw at any time commuted value of annual installments. The fact that spouse might die within the 20-year period without having withdrawn commuted value which will then pass to children will not affect deduction." (Telegram dated April 12, 1948, to National Life of Vermont, signed D. S. Bliss, deputy commissioner.)

He also quoted the following dealing with life insurance under the interest option: "Where gross estate includes proceeds of insurance on decedent's (sic) life which are retained by insurance company with interest thereupon payable to surviving spouse during her lifetime and proceeds unqualifiedly payable to her estate marital deduction under section 812 (1) of code allowable since no person other than surviving spouse has interest in proceeds." (Telegram dated April 14, 1948, signed D. S. Bliss, deputy commissioner.)

Lawrence Carey Resigns as New Jersey Commissioner

Lawrence B. Carey, New Jersey commissioner of insurance and banking, has resigned to become executive vice-president of Trust Co. of New Jersey in Jersey City. He was appointed in 1945 and held over when his term expired last February. Mr. Carey had been in banking since the first war and at the time he became commissioner was president of a bank at Plainfield, N. J.

Detroit Leads Big Cities

Among the large cities, Detroit made the best life insurance production showing in March, according to L.I.A.M.A., the figure equaling that of March, 1947. It also made the best showing for the first quarter, with a gain of 8%. The percentage gains and losses for the other cities are as follows, the first figure being for March and the second for the first quarter: Boston, —10 and —14; Chicago, —8 and —1; Cleveland, —10 and 3; Los Angeles, —3 and —1; New York City, —9 and —2; Philadelphia, —2 and 3; St. Louis, —10 and 1.

New Jersey UCD Hearing

The hearing on cash sickness benefits in Trenton left the lines of support for this legislation in New Jersey substantially what they have been for several weeks. Organized labor generally is for a monopolistic state fund. The legislation providing for a voluntary system is considered likely to pass.

sale demonstration, tying in with social security benefits. He stressed the agent's obligation to acquaint people with the provisions of the social security act.

Mr. Fritsche discussed new ways of merchandising life insurance. He stressed the importance of color in charts and graphs.

Mr. Priebe stressed "need" selling and gave a sales talk stating: "John, there are many ways to sell life insurance but there is only one sound way to buy it. That's on needs. Let's get down on paper your needs and your objectives in life, and then talk about those things."

K. T. McCrary, Tennessee association president and Knoxville manager for Life & Casualty, handled the traveling sales congress, assisted by Harry Watson, general agent at Knoxville for Connecticut Mutual, program chairman.

Way Clear for Actuarial Merger, A.I.A. Head Says

(CONTINUED FROM PAGE 1)

and its contracts. Cooperation with the agency department is all important, he said, and the actuary should always keep them advised of every move he intends to make which affects the field man and his relations with his policyholders, but the agency man should clearly understand the position and duty of the actuary, and when he does he is going to have all the more respect for the actuary if he sticks to his principles.

Actuary Must Be Constructive

The actuary must go farther than simply point out why any suggested course of action is not advisable, Mr. Beatty said. He should always be on the alert to assist the agency man with his problems from the constructive standpoint. He said the actuaries must also take every precaution as a body to make sure the life insurance business continues to look to them for advice and guidance, not only in technical matters but in all matters affecting the safety of the company in its contracts. The actuaries will only maintain their position so long as they give leadership in the enunciation and maintenance of sound actuarial principles, he said, otherwise the likelihood is that some other insurance organization will take over. In this connection he recalled the recent re-vamping of the former Actuaries Club of Canada, its re-naming as the Canadian Association of Actuaries and its greater emphasis on its role in the enunciation of sound principles.

Mr. Beatty paid particular tribute to the late V. R. Smith, who was president of Confederation Life.

Program Given for Life Counsel Assn. Meeting

The program of the Assn. of Life Insurance Counsel for the meeting to be held at Hotel Hershey, Hershey, Pa., May 24-25, will include papers by V. A. Lutnicki, John Hancock, "Some Problems in Connection with Advance Premium Payments"; Webster Atwell, Great National Life, "The Life Insurance Law of Texas"; Phineas M. Henry, Equitable of Iowa, "Life Insurance Law of Iowa" (supplement); B. P. Sears, Washington National, "The Life Insurance Law of Illinois" (supplement).

There will be an informal panel discussion on the proposed social security regulations, in which the participants will be E. M. Thore, Life Insurance Assn. of America; W. H. Abell, Commonwealth Life; Millard Bartels, Travelers; E. J. Schmuck, Acacia Mutual, and Gerald M. Swannstrom, Northwestern Mutual.

Commissioner Malone of Pennsylvania will be a guest speaker. The business session will be in the afternoon of May 24, and the morning of May 25, running over into the afternoon of that day if necessary. There will be a cocktail party May 24, and a get-together dinner that evening.

Plan New D. C. Setup

WASHINGTON — The Auchincloss bill for reorganizing the District of Columbia government, as recommended by a House D.C. subcommittee, contains provision abolishing the present D.C. insurance department. In lieu thereof, the bill contains the following provision:

"There is hereby created within the department of commerce a bureau of insurance to administer, under the direction and supervision of the director of the department of commerce, the functions transferred to him from the department of insurance."

This provision is in line with a recommendation of local insurance interests. The department of commerce referred to above would be a local government branch, not the national Department of Commerce.

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